

Activity 1: Analyze a Budget

Complete the following budget form or develop one on the computer using software such as Microsoft Excel and Quicken and see if Tim has enough personal income to meet all of his expenses. If you use the computer, be sure to upload a copy to this topic's assignment.

A. Fixed Expenses

- 1. Rent _____
- 2. Electricity, phone, cable _____
- 3. Car loan payment _____
- 4. Contributions _____
- 5. Total _____

B. Flexible Expenses

- 6. Miscellaneous _____
- 7. Laundry and cleaning _____
- 8. Recreation _____
- 9. Car maintenance/gas _____
- 10. Dining out _____
- 11. Groceries _____
- 12. Clothing purchases _____
- 13. Total _____

C. Periodic Expenses

- 14. Insurance set-aside _____
- 15. Total _____

D. Savings

- 16. College savings _____
- 17. Emergency fund _____
- 18. Total _____

What percentage of his income does Tim spend on:

- 19. Fixed expenses? _____
- 20. Flexible expenses? _____
- 21. Periodic expenses? _____
- 22. Savings? _____

Worksheet: Level 3.3: Develop Personal Financial Skills

Tim's car needs new tires. They will cost \$140 each. He will also have all the wheels aligned at a cost of \$7.50 each. As a result, he will have a sizable extra expense next month. Where can he cut expenses, so he won't go over his budget?

What will be the total cost of four new tires and wheel alignment?

Total Cost \$ _____

Where should Tim make the cuts in his expenses? Check the appropriate space.

Fixed expenses?

Flexible expenses?

Periodic expenses?

Savings?

Give three specific ideas for making the cuts suggested above.

Activity 2: Monthly Budget

Complete a monthly budget by filling in the budget areas listed below.

Budget			
Income Amount	Amount/Year	Amount/Month	Actual/Month
1. Fixed expenses			
a.			
b.			
c.			
Subtotal			
2. Daily expenses			
a. Food			
b. clothing			
c. Transportation			
d. Health/personal			
e. Household operations			
Subtotal			
3. Personal expenses			
a. Allowances			
b. Contributions			
c. Recreation			
4. Savings/set-asides			
a. Large bills			
b. Future goals			
Subtotal			
Grand Total			

Activity 3: Reconcile a Bank Statement

Reconcile the following checkbook register with the given bank statement.

Bank Statement — Lower edge

	Service Charge \$25.00 SC					Balance \$174.00
Please examine statement of account and vouchers at once. If no error is reported in 10 days, the account will be considered correct.						

Check Register

Record all charges or credits that affect your account.							
Number	Date	Description of Transaction	Payment/Debit (-)	3 T	Fee if Any (-)	Deposit/Credit (+)	Balance \$218.00
225	1/8	Rackets Inc.	25.00	3			193.00
226	1/10	Clothing Closet	15.00	3			178.00
	1/10	Deposit		3	50.00	228.00	
Debit	1/12	Hairport	25.00				203.00
ATM	1/13	ATM Withdrawal	20.00	3			183.00
227	1/15	Gasoline Fast	30.00	3			153.00
	1/18	Deposit				25.00	178.00
228	1/18	Coffee Cafe	12.00				166.00
		Service Charge	25.00	3			141.00

