FM.6 Extra Practice

1. David saves 10% of his net pay. Without using a calculator, determine 10% of the following net pays. Round each answer to the nearest cent.
   a) $214.89
   b) $455.72
   c) $98.15
   d) $632.11

2. Without using a calculator, determine 20% of each net pay in #1.

3. Kara works full time during the summer and she wants to make a budget. Her net pay averages about $300 per week. She gets paid every Friday.
   a) Calculate Kara's total income for a 4-pay month.
   b) Calculate her total income for a 5-pay month.
   She tracks her spending for a month using a table.

	Week of			
	July 2–8	July 9–15	July 16–22	July 23–29
Item	Amount ($)			
Food	150	180	150	160
Rent	100	100	100	100
Cell phone			48	
Gas	55		50	
Savings	−5	20	−48	40

   c) Calculate Kara's total expenses for each category.

   d) Calculate the total expenses for all categories in July.
   e) Explain the negative amounts in Kara's savings.
   f) Suppose Kara wants to start saving for a vacation. Make three suggestions that Kara can use in August to move toward her goal.

4. Miranda tutors and has a part-time job at the mall. Her monthly budget is shown.

Monthly Budget	
Estimated Income ($)	
Work at mall	400
Tutoring	120
Total Income	**520**
Expenses ($)	
Food	75
Gas	50
Cell phone	75
Clothes	100
Entertainment	50
Savings for computer	100
Total Expenses	**450**

   a) List the expenses that you think might be fixed expenses.
   b) Calculate the difference between Miranda's income and her expenses.
   c) How could Miranda use this extra money?
   d) Rewrite Miranda's budget so that it is balanced.

5. Gavin wants to save $5000 to buy a used car when he graduates high school in a year. He currently has $3000 in savings. He is paid twice monthly. How much will he need to save from each pay in order to reach his goal?

6. Below is Kim and Derick's March budget.

March Budget	
Income ($)	
Kim	1850
Derick	1500
Total Income	**3350**
Expenses ($)	
Rent	800
Groceries	500
Gas	200
Car insurance	200
Phone/cable/Internet	150
Cell phone	50
Gym	90
Entertainment	200
Saving to buy a condo	500
Saving for a vacation	200
Gifts and charity	100
Restaurants	300
For a "rainy day"	60
Total Expenses	**3350**
Income – Expenses	**0**

   a) Explain why their current budget is balanced.
   b) List the items that are likely fixed expenses.

c) Calculate the total of their fixed expenses.
d) What amount is left for their variable expenses?
e) Rewrite the budget by splitting the expenses into fixed expenses and variable expenses.

7. Below is Kim and Derick's April budget.

April Budget	
Income ($)	
Kim	1650
Derick	1600
Total Income	**3250**
Expenses ($)	
Rent	800
Groceries	550
Gas	200
Car insurance	200
Phone/cable/Internet	150
Cell phone	50
Gym	90
Entertainment	100
Saving to buy a condo	400
Saving for a vacation	100
Gifts and charity	100
Restaurants	100
Education fund	200
Renovating a room	200
For a "rainy day"	10
Total Expenses	**3250**
Income – Expenses	**0**

a) By what amount did their monthly income change?

b) What did they do to their expenses to create a balanced budget for April?

c) What expense items were added in April?

d) What is the budgeted cost of these items?

e) Which expenses were eliminated?

f) List the expenses that were modified in order to keep their budget balanced.

g) By how much was each item in part f) modified?

h) Kim and Derick estimate that it will take $1500 to renovate a bedroom into a nursery. At their current rate of spending, by the end of what month will the renovations be paid in full?

8. Rena is a full-time student who works part-time at a shop. Her net pay is about $250 weekly. Below is a list of her current living expenses.

   Rent: $350/month
   Bus pass: $245/term
   Food: $75/week
   Health/personal care: $40/week
   Entertainment: $30/week
   Loan: $257/month

a) Calculate Rena's total expenses for a typical 4-week month.

b) Which expenses do you think are fixed expenses?

c) Create a budget of income and expenses for Rena for this month.

d) Calculate total income minus total expenses.

e) What might Rena do in order to balance her budget?

f) Modify Rena's budget so that it is balanced.

9. Some months have five Fridays. During these months, Rena gets paid five times.

a) Which of her expenses will not change during a month like this?

b) One of Rena's goals is to finish repaying her loan. She currently owes about $1200. Design a balanced budget for Rena for a 5-pay month so she can reach her goal.

10. Rena hopes that by her graduation year, her loan will be paid in full. This will make at least $250 per month available to her. Create a budget for Rena for a 4-pay month for the month immediately after her loan is repaid.