

A Monthly Budget

Activity B
Chapter 20

Name _____
Date _____ Period _____

Tony and Maria are trying to revise their budget to include more savings for a new television set, which would cost about \$500. They would like to develop a plan to save for five months for the new television. Their combined net monthly income is \$2035. Tony and Maria are presently trying to put \$100 in savings each month. This money is to be used for unforeseen expenses and also toward costs that will occur when they start a family.

Their present monthly budgeted amounts are as follows:

Rent	\$510	Medical care	\$ 40
Food	320	Leisure activities	180
Car insurance	85	Clothing	120
Life insurance	25	Personal care items	90
Car payments	330	Gifts and contributions	60
Gas and oil	75	Utilities	100
Savings	100		

Their actual expenses for the past month are as follows:

Rent	\$510	Medical care	\$ 52
Food	300	Leisure activities	195
Car insurance	85	Clothing	85
Life insurance	25	Personal care items	80
Car payments	330	Gifts and contributions	64
Gas and oil	88	Utilities	100

Fill in the Monthly Budget on the next page. Then answer the following questions.

1. Complete the budget form using the figures given above. List fixed and flexible expenses in the appropriate columns and complete the columns labeled "Budgeted Amounts" and "Actual Amounts Spent."

What is the total of their budgeted amounts? _____

What is the total of the actual amount spent? _____

2. Next, determine whether Tony and Maria went over or under their budget in each category. Indicate this with either a "+" or "-" sign.
3. How would you revise this budget so that Tony and Maria would be able to include a budgeted amount toward buying a television? (They do not want to change their present \$100 savings plan.) Indicate under "Revised Budget" your suggested changes and discuss below.

(Continued)