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.

__________________________________

__________________________________

__________________________________

__________________________________

__________________________________

__________________________________

(CoContinued)

© Goodheart-Willcox