*New Concepts in Commerce Second edition*

Chapter 2: Personal finance, pages 50–51

Worksheet 2.3

Making a budget

Student:  Class:  Teacher:  Due date:

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| --- | --- |
| Despite having a total weekly income of $60.50 from an allowance from her parents and from a Saturday job, Dana Stockland is always short of money. When a friend suggests that she budgets, Dana decides to give it a try. In her first attempt, as shown in the table below, the total of her expenses was greater than her income, and she has allowed nothing for savings. | 2 |

Instructions

1. **In the right-hand column of the table, headed ‘Revised estimates’, show how you think Dana should revise her spending plan in order to make the best use of her income.**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Budget for Dana Stockland | | | | | |
| Income | | Estimated expenses | | Revised estimates | |
| Allowance | $15.00 | Savings | $ 0.00 | **$26.00** |  |
| Earnings | 45.50 | Lunches | 15.00 | **0.00** |  |
|  |  | Sport | 7.50 | **7.50** |  |
|  |  | Magazines | 11.50 | **5.00** |  |
|  |  | Entertainment/  recreation | 22.00 | **11.00** |  |
|  |  | Bus fares | 5.00 | **5.00** |  |
|  |  | School supplies | 5.00 | **3.00** |  |
|  |  | Miscellaneous | 3.00 | **3.00** |  |
| Total | $60.50 |  | $69.00 | **34.50** |  |

**2. Explain each of the changes that you have made to Dana’s budget.**

The changes made to Dana’s budget is to; Cut back on recreational time, take care of school supplies so they last longer, and make her own lunch, and doesn’t have to have that much magazines