

Lian's actual monthly spending for gasoline and entertainment are shown in the table that follows. Use this information to answer questions 1 and 2.

	April	May	June
Gasoline	\$116	\$153	\$148
Entertainment	\$104	\$167	\$72

1. What is Lian's mean monthly spending for gasoline during this three-month period?
2. What is Lian's mean monthly spending for entertainment during this three-month period?
3. Briefly explain the difference between needs and wants.
4. What is a fixed expense?

Mason’s monthly budget is shown in the table that follows. Use this information to answer question 5.

Mason Monthly Budget			
Category		Amount	Totals
Income:			
Wages		\$1,434	
Total Income			\$1,434
Savings:			
Savings account		\$115	
Total Savings			\$115
Expenses:			
Rent		\$600	
Utilities		\$135	
Cell Phone		\$58	
Gas and oil		\$81	
Food		\$280	
Clothing		\$25	
Entertainment		\$80	
Miscellaneous		\$60	
Total expenses			\$1,319
Total Savings and Expenses			\$1,434

5. If Mason changes to a mobile phone plan that costs \$65 per month, by what amount would he decrease his savings?

6. What is a fixed income?

Mason and Esteban decide to share an apartment to help decrease household expenses, as shown in the following table. Use this information to answer questions 7 and 8.

	Mason's	Expenses	Shared	Expenses	Esteban's	Expenses
Category	Amount	Totals	Amount	Totals	Amount	Totals
Expenses:						
Rent:			\$750			
Utilities			\$115			
Cell phone	\$58				\$48	
Gas and oil	\$81				\$73	
Food	\$28		\$300		\$65	
Clothing	\$25				\$35	
Entertainment	\$80				\$66	
Miscellaneous	\$60				\$53	
Total Expenses		\$332		\$1,205		\$340
Total Expenses for the combined household						\$1,877

7. Prior to sharing an apartment, Mason spent \$600 per month in rent. Esteban spent \$635 per month. By sharing an apartment, how much are Mason and Esteban each saving in rent per month?

8. Prior to sharing an apartment, Mason spent \$135 per month on utilities. Esteban spent \$140 per month on utilities. By sharing an apartment, how much are Mason and Esteban each saving on utilities per month?

9. Briefly describe what a Financial goal might be.

10. Inflation has to do with what measurable quality of a good?

11. Phoebe wants to save for a down payment on a new house. She currently has \$4,000 in savings and needs to save a total of \$20,000. She plans to save \$725 each month for her down payment. How long will it take Phoebe to reach her goal?

12. Amin and Tori have decided that they need to save \$12,000 for their daughter's college fund. They have 12 years before they will need the money. How much will they need to save each month to reach their goal?

13. In 2008, a gallon of whole milk cost \$2.65. In 2016, a gallon of whole milk cost \$4.09. What is the overall rate of inflation for this three-year period? What is the approximate average annual rate of inflation?

Autumn has a part-time job doing contract work for a local temporary agency. Her monthly budget is shown here. Use Autumn’s monthly budget to answer questions 14 through 17.

Autumn Monthly Budget		
Category	Amount	Totals
Wages	\$1,434	
Contract work	\$750	
Total Income		\$2,184
Savings:		
Savings account	\$210	
Total Savings		\$210
Expenses:		
Rent	\$850	
Utilities	\$195	
Phone	\$78	
Gas and oil	\$91	
Food	\$350	
Charitable giving	\$140	
Clothing	\$35	
Entertainment	\$145	
Miscellaneous	\$90	
Total Expenses		\$1,974
Total Savings and Expenses		\$2,184
Balance		
		<\$0.00>

14. Due to an increase in gasoline costs, Autumn needs to adjust her gasoline and oil budget to \$120 per month. She wants to adjust her entertainment budget to reflect that change. What is Autumn’s new entertainment budget?

15. Autumn also learned that next month her rent will increase to \$900. She would like to split that budget adjustment between miscellaneous and

charitable giving. What will be the new budget amounts for those two categories?

16. Autumn just received a new contract at work and is now earning an additional \$150. First state what percentage increase to her overall income this \$150 represents. Then please decide on one or more wants or needs of your own that you would suggest Autumn to put this money towards, and explain if this will be an ongoing cost or a one-time expense.

17. Why is it desirable to have a balance of <\$0.00> at the end of the month?