Chapter 8 BLM Answers

BLM 8-1 Prerequisite Skills

1. **a)** $54.75 **b)** $127.75 **c)** $219
2. $95.81
3. **a)** $37.50 **b)** $112.50 **c)** $25
4. **a)** $1537.50 **b)** $1612.50 **c)** $1525
5. **a)** The interest is compounded monthly, so she is earning interest on the principal and the previous months' interest.
   b) $1537.93
   c) $1616.70. It is greater because the interest is compounded.
6. **a) i)** $1841.83 **ii)** $5813.00
   b) The interest is compounded monthly, so he is earning interest on the principal and the previous months' interest.
7. **a)** $656.77 **b)** $496.98 **c)** $401.13
8. **a)** $23 643.72 **b)** $23 855.04 **c)** $24 067.80
9. **a)** 24 **b)** 104 **c)** 130 **d)** 12
10. **a)** $1615.38 **b)** $3500 **c)** $10 500

BLM 8-3 Section 8.1 Savings Plans

1. **a)** $68.94, $94.20, $88.02, $73.61 **b)** $325.29
2. **a)** $220.93 **b)** $2651.16 **c)** $2692.87
3. **a) i)** $80 **ii)** $120 **iii)** $1040 **b)** $1052.60
4. $96.15
5. $104.17
6. **a)** $30.34, $31.40, $30.27, $31.20 **b)** $1601.60 **c)** $1619.80
7. **a)** $107.69 **b)** $2843.46
8. **a)** $12 298 **b)** $12 567.78 **c)** $39 463.80
9. **a) i)** $138.60 **ii)** $602.25 **b)** 294 days
10. **a) i)** $168.44 **ii)** $737.00 **b)** approximately 49 days sooner
11. **a)** $4068.00 **b)** $4114.94; $46.94 **c)** $88 333.94; $197.94
    d) Interest is earned on the principal and the previous months' interest.
12. **a)** $334.90 **b)** $217.69 **c)** $4200.73
13. **a)** approximately 56 weeks **b)** Yes. After 38 paycheques.

BLM 8-5 Section 8.2 The Cost of Renting a Home

1. **a)** $214.17 **b)** $14 438
2. **a)** $987.33 **b)** $9873.33

3. **a)**

Month	Rent ($)	Electricity ($)	Natural Gas ($)	Water ($)	Total Monthly Expense ($)
January	989.00		100.00		1089.00
February	989.00	145.00	100.00		1234.00
March	989.00		100.00	125.00	1214.00
April	989.00	145.00	100.00		1234.00
May	989.00		100.00		1089.00
June	989.00	145.00	100.00	125.00	1359.00
July	989.00		100.00		1089.00
August	989.00	145.00	100.00		1234.00
September	989.00		100.00	125.00	1214.00
October	989.00	145.00	100.00		1234.00
November	989.00		100.00		1089.00
December	989.00	145.00	100.00	125.00	1359.00
Total Annual Cost per Expense	11 868.00	870.00	1200.00	500.00	

b) June and December
c) $1203.17

4. a)

Month	Rent ($)	Electricity ($)	Natural Gas ($)	Water ($)	Telephone ($)	Cable ($)	Total Monthly Expenses (without cable) ($)	Total Monthly Expenses (with cable) ($)
January	725.00		70.00		50.00	55.00	845.00	900.00
February	725.00	98.00	70.00	115.00	50.00	55.00	1058.00	1113.00
March	725.00		70.00		50.00	55.00	845.00	900.00
April	725.00	98.00	70.00		50.00	55.00	943.00	998.00
May	725.00		70.00	115.00	50.00	55.00	960.00	1015.00
June	725.00	98.00	70.00		50.00	55.00	943.00	998.00
July	725.00		70.00		50.00	55.00	845.00	900.00
August	725.00	98.00	70.00	115.00	50.00	55.00	1058.00	1113.00
September	725.00		70.00		50.00	55.00	845.00	900.00
October	725.00	98.00	70.00		50.00	55.00	943.00	998.00
November	725.00		70.00	115.00	50.00	55.00	960.00	1015.00
December	725.00	98.00	70.00		50.00	55.00	943.00	998.00
Total Annual Cost per Expense	8700.00	588.00	840.00	460.00	600.00	660.00		

b) $900.00 to $1113.00
c) with cable: $11 848; without cable: $11 188

5. $1510

6. a) Answers may vary. For example, closer to classes and meals are prepared for him.
b) Answers may vary. For example, he will save $1800 over the eight months and he controls the meal planning and schedule.
c) It costs $1800 more for residence.
d) Answers may vary. For example: Is the convenience of residence really worth the extra cost? If he stays in the house, can he handle making all his own meals? Is the distance too far? What is the neighbourhood like?

7. a) $555.77
b) She can afford half the rent for the two-bedroom apartment since it is close to one week's net income but the rent for the one-bedroom apartment would be more than one week's net income.
c) Answers may vary. For example: Advantages: more affordable, security of sharing instead of living alone. Disadvantages: more noise, common areas like the kitchen and bathroom must be shared.

8. a) $702.88
b) She should share a two-bedroom apartment. Her weekly net income is less than the rent for the one-bedroom apartment.

9. a) $1106.50
b) $13 278
c) No. His weekly net income is $748.08, much less than the average monthly accommodations expenses.

10. a) $621.15
b) Answers may vary. For example, grade 12 Mathematics (C, M, U).

11. a) $621.15
b) He can afford half the rent for the two-bedroom apartment since it is close to one week's net income but the rent for the one-bedroom apartment would be more than one week's net income.
c) Answers may vary. For example: Advantages: more affordable, security of sharing instead of living alone. Disadvantages: more noise, common areas like the kitchen and bathroom must be shared.

12. a) $1195.50 **b)** $14 346 **c)** $1195.50

BLM 8-7 Section 8.3 The Cost of Owning a Home

1. a) $43 216.68   **b)** $12 834.96   **c)** $32 281.60
2. a) $1014.75   **b)** $459.58   **c)** $78.73
3. $29 256.12
4. a) $21 315.84   **b)** $46 369.64
5. a) 31.3%   **b)** 88.3%
6. 27.6%
7. a) $1162   **b)** $128   **c)** 52.7%
8. a) $348.14   **b)** $268.90   **c)** $1325.04

BLM 8-8 Section 8.4 Living Expenses

1. a) $7750   **b)** $775   **c)** $2400   **d)** 57.1%
2. a) $2310   **b)** $6737   **c)** $1013
3. a) $580.31   **b)** $535   **c)** positive
   d) He should have approximately $45.31 more in his bank account at the end of the month than he had at the beginning.
4. a)

Income ($)		Expenses ($)	
Gordon	720	College savings	180
		Room and board	170
		Save for car	150
		Save for computer	50
		Cellular telephone	15
		Spending	90
Total	**720**	**Total**	655
Balance (Income – Expenses) = 65			

   b) $65
5. a) $907.90   **b)** $512   **c)** positive
   d) She should have approximately $395.90 more in her bank account at the end of the month than she had at the beginning.
   e) Answers may vary. For example, start a savings account since she has extra money.
6. a)

Income ($)		Expenses ($)	
Student assistance	385	Rent	430
Part-time job	565	Groceries	250
		Laundry	30
Total	**950**	**Total**	**710**
Balance (Income – Expenses) = 240			

   b) Answers may vary. For example, entertainment, presents, clothing, travel, medical, furniture.
   c)

Income ($)		Expenses ($)	
Student assistance	425	Rent	438.60
Part-time job	565	Groceries	260
		Laundry	30
Total	**990**	**Total**	**728.60**
Balance (Income – Expenses) = 261.40			

7. a) $479.37   **b)** $490.00   **c)** negative
   d) She should have approximately $10.63 less in her bank account at the end of the month than she had at the beginning.
   e) Answers may vary. For example, spend less on entertainment.

BLM 8-10 Chapter 8 Review

1. a) $520   **b)** $320   **c)** $2080
2. $176.92
3. $1585.13
4. a) $1139.17   **b)** $13 670
5. a) $1770
   b) Answers may vary. For example, furniture movers and connection fees for telephone, Internet, cable.
6. $994.56
7. $29 015.22
8. a) $2055.31   **b)** $770.78   **c)** $3084.36
9. a) $57 885   **b)** $2411.88   **c)** $2307.47
   d) $2599.14
10. a) $757.30   **b)** $615   **c)** positive
   d) He should have approximately $142.30 more in his bank account at the end of the month than he had at the beginning.
11. a)

Income ($)		Expenses ($)	
Paycheque 1	586	Rent	315
Paycheque 2	586	Gasoline	160
		Car insurance	105
		Car maintenance	30
		Groceries	240
		Laundry	32
		Clothes	85
		Entertainment	120
		Gifts	25
		Savings	117.20
Total	**1172**	**Total**	**1229.20**
Balance (Income – Expenses) = –57.20			

   b)

Income ($)		Expenses ($)	
Paycheque 1	586	Rent	315
Paycheque 2	586	Gasoline	160
Paycheque 3	586	Car insurance	105
		Car maintenance	30
		Groceries	240
		Laundry	32
		Clothes	85
		Entertainment	120
		Gifts	25
		Savings	175.80
Total	**1758**	**Total**	**1287.80**
Balance (Income – Expenses) = 470.20			

c) Answers may vary. For example, offset the negative balance from months with two paycheques or go on vacation.

12. a), b)

Income ($)		Expenses ($)	
Part-time job	800	College fund	260
		Room and board	210
		Cellular telephone	25
		Clothes	135
		Entertainment	100
		Mountain bike fund	60
Total	**800**	**Total**	**790**
Balance (Income – Expenses) = $10			

BLM 8-12 Chapter 8 Practice Test

1. B
2. C
3. B
4. D
5. a) $33 578   **b)** $2798.17
6. a)

Income ($)		Expenses ($)	
Record Shop	600	Rent	550
Teaching Piano	900	Groceries	300
		Transit Pass	110
		Laundry	25
		Telephone	30
Total	**1500**	**Total**	**1015**
Balance (Income – Expenses) = 485			

b) Answers may vary. For example, entertainment, presents, clothing, travel, medical, furniture.

c)

Income ($)		Expenses ($)	
Record Shop	400	Rent	561
Teaching Piano	750	Groceries	300
		Transit Pass	121
		Laundry	25
		Telephone	30
Total	**1050**	**Total**	**1037**
Balance (Income – Expenses) = 13			

d) Answers may vary. For example: Jamal should look for a part-time job with a higher salary or more hours, find new piano students, look for a full-time job involving music, or consider finding cheaper accommodations.

BLM 8-13 Chapter 8 Test

1. C
2. C
3. D
4. B
5. $42 518
6. a)

Income ($)		Expenses ($)	
Restaurant	750	Rent	850
Learning Centre	800	Groceries	320
		Clothes	90
		Transportation	160
		Laundry	30
		Telephone	50
Total	**1550**	**Total**	**1500**
Balance (Income – Expenses) = 50			

b)

Income ($)		Expenses ($)	
Restaurant	900	Rent	875.50
Learning Centre	700	Groceries	328
		Clothes	90
		Transportation	160
		Laundry	30
		Telephone	50
Total	**1600**	**Total**	**1533.50**
Balance (Income – Expenses) = 66.50			

7. a) $830.77
   b) He does not need to share a two-bedroom apartment. His weekly net income is greater than the rent for the one-bedroom apartment.