

8.5

Case Studies

Student Text Pages

478–481

Suggested Timing

160–220 min

Tools

- computers with Internet access and spreadsheet software
- graphing calculators

Related Resources

BLM 8-9 Budget Template
BLM A-13 Group Work Assessment
General Scoring Rubric

Link to Prerequisite Skills

Students should complete all the Prerequisite Skills questions before proceeding with this section.

Warm-Up

1. Determine the weekly gross income for Janis, if she earns \$15.50/h and works 37.5 h/week.
2. Janis takes home approximately 83% of her gross income. Calculate her take home pay.
3. Determine the average monthly cost for a bi-monthly municipal water bill that averages \$190.

Warm-Up Answers

1. \$581.25
2. \$482.44
3. \$95

Teaching Suggestions

Warm-Up

- Display the Warm-Up questions. Have students complete the questions independently. Then, discuss the solutions as a class.

Case Studies

- Students will likely need three class periods to complete all of the case studies.
- Some students will benefit from copying the case studies into their notebooks so they can make notes beside each item. Encourage students to make notes or highlight key pieces of information. Students should read the entire case study before answering the questions.
- If spreadsheet software is not available, supply students with **BLM 8-9 Budget Template**. Edit or delete the Expense and Income items on the template as necessary before printing.
- Work through **Case Study 1** as a whole class. If possible, use an interactive whiteboard so students can see the process.
- Students can work through **Case Studies 2 and 3** in pairs or small groups. Tasks can be divided among the group members.
- Use **BLM A-13 Group Work Assessment General Scoring Rubric** to assess group work.
- Instead of assigning the Chapter 8 Test for summative assessment, you may wish to assign one or more of the cases studies.

Case Study Answers (pages 478–481)

Case Study 1

1. to 3.

INCOME (\$)			
Paycheque 1	915.20		
Paycheque 2	915.20		
Total Income	1830.40		
EXPENSES (\$)			
Fixed Expenses		Variable Expenses (Average)	
Rent (includes utilities)	700.00	Groceries	260.00
		Laundry	40.00
		School supplies	30.00
		Clothes	100.00
		Entertainment	200.00
		Gifts	30.00
		Transportation	100.00
		Savings	190.50
Total Fixed	700.00	Total Variable	950.50
Total Expenses	1650.50		
Balance (Income – Expenses) = 179.90			

4.

INCOME (\$)			
Paycheque 1	1077.12		
Paycheque 2	1077.12		
Total Income	2154.24		
EXPENSES (\$)			
Fixed Expenses		Variable Expenses (Average)	
Rent (includes utilities)	700.00	Groceries	260.00
		Laundry	40.00
		School supplies	30.00
		Clothes	100.00
		Entertainment	200.00
		Gifts	30.00
		Transportation	100.00
		Vacation fund	200.00
		Savings	74.14
Total Fixed	700.00	Total Variable	1034.14
Total Expenses	1734.14		
Balance (Income – Expenses) = 420.10			

5. Rebecca can invest the money, deposit it in a savings account, or add to her vacation fund.

Case Study 2

1., 2.

INCOME (\$)			
Bank	1800.00		
Restaurant	400.00		
Total Income	2200.00		
EXPENSES (\$)			
Fixed Expenses		Variable Expenses (Average)	
Rent	734.00	Groceries	260.00
		Laundry	40.00
		Clothes	100.00
		Entertainment	200.00
		Gifts	30.00
		Transportation	120.00
		Personal loan	288.00
		Savings	428.00
Total Fixed	734.00	Total Variable	1466.00
Total Expenses	2200.00		
Balance (Income – Expenses) = 0			

3.

INCOME (\$)			
Bank	1800.00		
Restaurant	100.00		
Total Income	1900.00		
EXPENSES (\$)			
Fixed Expenses		Variable Expenses (Average)	
Rent	734.00	Groceries	260.00
		Laundry	40.00
		Clothes	100.00
		Entertainment	200.00
		Gifts	30.00
		Transportation	120.00
		Personal loan	288.00
		Savings	128.00
Total Fixed	734.00	Total Variable	1366.00
Total Expenses	2200.00		
Balance (Income – Expenses) = 0			

4. The reduction in salary is offset by a reduction in savings.

5., 6.

INCOME (\$)			
Movie Theatre	2112.00		
Total Income	2112.00		
EXPENSES (\$)			
Fixed Expenses		Variable Expenses (Average)	
Rent	734.00	Groceries	260.00
		Laundry	40.00
		Clothes	100.00
		Entertainment	200.00
		Gifts	30.00
		Transportation	120.00
		Personal loan	288.00
		Savings	340.00
Total Fixed	734.00	Total Variable	1378.00
Total Expenses	2112.00		
Balance (Income – Expenses) = 0			

7. Add the increase in income to savings.

8.

INCOME (\$)			
Movie Theatre	2184.00		
Total Income	2184.00		
EXPENSES (\$)			
Fixed Expenses		Variable Expenses (Average)	
Rent	805.00	Groceries	260.00
Car Expenses	181.00	Laundry	40.00
		Clothes	100.00
		Entertainment	200.00
		Gifts	30.00
		Transportation	120.00
		Savings	448.00
Total Fixed	986.00	Total Variable	1198.00
Total Expenses	2184.00		
Balance (Income – Expenses) = 0			

9. Invest his savings to earn more interest; open an RRSP.

Accommodations

Spatial—supply students with **BLM 8-9 Budget Template**. For **Case Study 1**, add Rebecca’s information and leave blank lines for students to fill in the new data. Have students show their calculations on the sheet. For **Case Study 2**, include the expenses but not the amounts. Supply four copies titled Now, Friday Night, Six Months Later, and Two Years Later. Have students fill in the missing data and complete the calculations. Students should complete **Case Study 3** using a blank template and **Case Study 2** as an example.

Language—have students work in pairs to check their budget entries before calculating the totals

Visual—have students use different colours for each column in their budgets so they can compare the changes

Memory—provide TVM Solver, on-line calculator, or spreadsheet prompts if using technology for the case studies

Gifted and Enrichment—provide a case study budget with a variety of common errors and have students find and correct the errors

ESL—provide a partner to assist with reading the instructions. Allow students to use point form in their responses. Have students add definitions for new terms to their personal math dictionaries. Provide additional scaffolding, if necessary.

Case Study 3

- Essential expenses: mortgage, child support, insurance, and line of credit.
Non-essential expenses: golf membership fees and car lease.

2., 3.

INCOME (\$)			
Technology Company	4123.00		
EXPENSES (\$)			
Fixed Expenses		Variable Expenses (Average)	
Mortgage	835.00	Groceries	500.00
Home insurance	47.36	Gasoline	100.00
Car lease	245.00	Utilities	300.00
Car insurance	113.00	Household items	100.00
Child support	1250.00		
Credit payment	95.00		
Golf membership	500.00		
Total Fixed	3085.36	Total Variable	1000.00
Total Expenses	4085.36		
Balance (Income – Expenses) = 37.64			

- Cancel his golf membership; pay more on his line of credit.

5.

INCOME (\$)			
Technology Company	4123.00		
EXPENSES (\$)			
Fixed Expenses		Variable Expenses (Average)	
Mortgage	835.00	Groceries	500.00
Home insurance	47.36	Gasoline	100.00
Car lease	245.00	Utilities	300.00
Car insurance	113.00	Household items	100.00
Child support	1250.00		
Credit payment	195.00		
Golf membership	500.00		
Total Fixed	3185.36	Total Variable	1000.00
Total Expenses	4185.36		
Balance (Income – Expenses) = –62.36			

- The monthly payment is \$243.32.

7.

INCOME (\$)			
Tech Company	4123.00		
Total income	4123.00		
EXPENSES (\$)			
Fixed Expenses		Variable Expenses (Average)	
Mortgage	835.00	Groceries	389.32
Home insurance	47.36	Gasoline	100.00
Car lease	245.00	Utilities	300.00
Car insurance	113.00	Household items	100.00
Child support	1250.00		
Credit payment	243.32		
Golf membership	500.00		
Total Fixed	3233.68	Total Variable	889.32
Total Expenses	4123.00		
Balance (Income – Expenses) = 0			