

Chapter 2 Practice Test

1. Karina plans to attend a community college in 1 year to study culinary arts. She thinks that she will need to save \$4000. Calculate the amount Karina needs to save from each paycheque if she is paid

a) bi-weekly

b) weekly

2. Circle the fixed expenses. Draw a box around the non-essential expenses.

Groceries

Car payments

Electricity

Gym membership

Bus pass

Pet food

Lottery tickets

Rent

Car insurance

Digital cable TV

Golf clubs

Clothing

3. Trevor holds 2 jobs. He works part-time after school and on weekends. His monthly budget for October is shown.

Income (\$)		Expenses (\$)			
Oct 4–18	272.59	Car insurance	110	Clothes	70
Oct 19–Nov 2	287.09	Money to Mom	100	Cell phone	70
		Gas	80	Saving	50
		Spending money	80		
Total Income =		Total Expenses =			
Balance (Income – Expenses)					

- a) What is Trevor's total income for October? \$ _____
- b) What are his total expenses? \$ _____
- c) Calculate his monthly balance. \$ _____
- d) Explain the meaning of a balanced budget.

- e) Trevor's hours at work have been cut. He expects to lose about \$75 per pay. Estimate his income for next month. \$ _____
- f) Change the amount spent on each item in Trevor's budget as necessary to create a balanced budget for November.

Item	Cost	Remaining Income

4. a) A couple is saving \$200 per month in an account so they can replace the roof of their house as soon as possible. The account pays 2% interest per year, compounded monthly. In approximately how many months will they have \$6000 saved?

N: _____, **I%:** _____, **PV:** _____, **PMT:** _____,
FV: _____, **P/Y:** _____, **C/Y:** _____, **PMT: END BEGIN**

- b) If the couple wants to have the \$6000 saved in 2 years, how much would they need to save each month?

N: _____, **I%:** _____, **PV:** _____, **PMT:** _____,
FV: _____, **P/Y:** _____, **C/Y:** _____, **PMT: END BEGIN**

- c) Is fixing the house roof an essential or a non-essential expense? Why do you think so?
