



Name: \_\_\_\_\_ Date: \_\_\_\_\_

**Master 1**  
(continued)

2. Max and Rhea have been saving for a house for five years. Currently, they have \$14 835 in an account that earns 2% interest, compounded monthly. They used to save less, but now deposit \$75 per week into this account.

a) Use a TVM Solver or an online calculator to determine the balance in their account one year from now.

<b>N:</b> _____, <b>I%:</b> _____, <b>PV:</b> _____, <b>PMT:</b> _____,
<b>FV:</b> _____, <b>P/Y:</b> _____, <b>C/Y:</b> _____, <b>PMT: END BEGIN</b>

b) Use a TVM solver or an online calculator to determine when the couple will have a balance of \$20 000 in their account. Assume that they continue to save \$75 per week and that the interest rate stays the same.

<b>N:</b> _____, <b>I%:</b> _____, <b>PV:</b> _____, <b>PMT:</b> _____,
<b>FV:</b> _____, <b>P/Y:</b> _____, <b>C/Y:</b> _____, <b>PMT: END BEGIN</b>

3. One evening, Rhea and Max were looking at lists of baby names. They decided to choose two names for a boy and two names for a girl.

a) Write the probability of Rhea having two girls as a fraction.

b) Write the probability of Rhea having a girl and a boy as a percent.

c) Write the probability of Rhea having two boys as a decimal.



Name: \_\_\_\_\_ Date: \_\_\_\_\_

4. Below is a list of expenses from a typical budget template.

Home	Daily Living	Transportation	Entertainment
Mortgage/Rent	Groceries	Car payment	Cable or satellite TV
Utilities	Dining out	Car insurance	Video/DVD rentals
Home/cell phone	Dry cleaning	Fuel	Movies/plays
Internet	Child care	Car repairs	Concerts/clubs
Home repairs	Housecleaning	Car wash	Books
Home insurance	Clothing	Parking	Music: MP3s, CDs
Home security	Gifts	Public transit	
Garden supplies	Salon/barber/stylist		
Property tax	Credit card/loan payments		
Health and Recreation	Vacations	Saving/ Investing	Dues/ Subscriptions
Gym memberships	Travel: bus, car, plane, train	Savings accounts	Magazines
Sports equipment	Accommodations	RRSP	Newspapers
Prescriptions and over-the-counter drugs	Food	RESP	Religious organizations
Veterinarians/pet medicines	Souvenirs	Stocks	Charities
Life Insurance	Pet care	Other investments	

- a) Circle the expenses that you think apply to Max and Rhea now.
- b) Draw a rectangle around any expenses that you think might apply to them in the near future. If an expense is missing, add it in one of the blanks.
- c) Highlight 5 essential expenses. Use a different colour to highlight 5 non-essential expenses.
- d) Use a spreadsheet to create a monthly budget template for the couple's current situation. Include their income and expenses.

