

Managing Finances Answers

Master 1 Part A: Taking Stock

- a) \$3000

b) Yes. 25% of \$3000 is \$750.

c) about \$1253 per month

d) Answers may vary. Look for reasonableness of answers. Example: mortgage, property taxes, home insurance, utilities.
- a) \$18 767.62

b) about 63 weeks from the present
- a) $\frac{1}{4}$

b) 50%

c) 0.25
- Answers will vary. Look for reasonableness of answers. Example:

a) Rent, cell phone, Internet, groceries, dining out, clothing, gifts, car payment, car insurance, car repairs, fuel, cable TV, music

b) Mortgage, property tax, home insurance, child care, diapers

c) Look for 5 essential expenses: rent, Internet, car payment, cell phone, car insurance. Look for 5 non-essential expenses: books, music, cable TV, charity, movies.

d)

Income (\$)	Expenses (\$)		
Max	Rent	Groceries	Save for down payment
Rhea	Apartment insurance	Dining out	RRSP
	Internet/cable TV	Car payment	Save for vacation
	Cell phone	Car insurance	Save for gifts
	Clothing	Fuel	Charities
			Movies/plays
Total Income = \$	Total Expenses = \$		
Monthly Balance (Income – Expenses) = \$			

Master 2 Part B: Making a Move

- a) Total income: \$3000

b) Total expenses: \$3000

c) Balance: \$0

- a) \$840

b) to d) Answers for d) will vary. Look for reasonableness of answers. Example:

Income (\$)	Expenses (\$)			
Max 1850	Mortgage/property tax 925	Groceries 475	RRSP 40	
Rhea 840	Home insurance 90	Dining out 50	Save for vacation 0	
	Utilities 325	Car payment 315	Save for gifts 5	
	Internet 40	Car insurance 230	Charities 0	
	Cell phone 35	Fuel 60	Movies/plays 0	
	Clothing 0	Diapers 100		
Total Income = \$2690	Total Expenses = \$2690			

- Max and Rhea will need to consider how to reduce expenses. They could

 - take public transit or car pool,
 - stop saving for vacation,
 - reduce spending on gifts,
 - stop making monetary donations and do volunteer work instead,
 - invite friends over instead of going to the movies or a play,
 - reduce their grocery spending by making more food from scratch instead of buying pre-prepared foods, and
 - eat at home.
- Answers will vary. Example: I had to reduce their spending so I had to make some choices for them. Diapers are yucky and twins use a lot, so I have them spending money on a diaper service, but saved money by having Max car-pool with three other people. That meant he only drove one week out of four, saving on gasoline costs. For now, they don't have any money to spend on clothes. They have a basic Internet package. They can watch television and listen to music online.

Master 3 Part C: Getting a Tax Refund

- a) and b) Note that values will vary depending on the year. Look for completion, accuracy, and reasonableness. Both Max and Rhea will receive a refund.



Master 4 Part D: Renovating a Room

1. The scale drawing will depend on the scale chosen. Look for accuracy.
2.
 - a) 142 ft^2
 - b) 49 ft
 - c) 426 ft^2
 - d) 142 ft^2
3.
 - a) and b) Answers will vary. Look for a complete list of materials and accuracy in calculations.
 - c) Look for reasonable suggestions. Example:
 - Consider MDF instead of wood baseboard.
 - Consider less expensive wallpaper border or no wallpaper border.
 - Consider buying used light fixtures.
 - Consider buying used windows.
 - Wait for the sales.

