COMPUTER EXERCISE

**Budgeting and**

**Saving**

**LESSON 3**

**GOAL:** Your goal in this computer exercise is to prepare a budget and determine if you will be able to save any money.

**YOUR SITUATION:** You have an apartment and a job. You take the bus to work. You pay for rent, electricity, and renters insurance each month. You also need to buy food and bus tokens.

**Part A**

1) Review the Pay & Tax Records, Pay Bills, Buy Bus Tokens, Shop for Food

and Bank Statements sections of the tutorial

2) Open the Budgeting and Saving lesson

3) Your current job as a fast-food cashier pays $7.25 per hour and you work

40 hours per week. Assume your monthly deductions are 18% of your gross income and you are paid four times during the month. Use this information to

ﬁll in the income portion of Worksheet 1

4) Click on Actions->Money Management->Pay Bills. Look at your bills for rent, electricity, and renters insurance for the month. Fill in those expenses on Worksheet 1

5) You need to eat two meals per day and you need two bus tokens for every day that you go to work. Assuming 30 days in a month, ﬁll in the food and transportation expenses for a month on your worksheet.

**WORKSHEET 1**

|  |  |  |
| --- | --- | --- |
|  | **Monthly Budget** |  |
|  | Budgeted Amount | Actual Amount |
| Income  Monthly Gross Income Less 18% Deductions Monthly Net Income |  |  |
| **Fixed Expenses**  Rent  Electricity  Renters Insurance |  |  |
| **Flexible Expenses**  Food  Bus Tokens |  |  |
| **Total Expenses** |  |  |
| **Surplus/Deﬁcit** |  |  |

**HINT:** To ﬁnd the cost of food, go to the City View and click on the supermarket. To ﬁnd the cost of bus tokens, go to the City View and click

on the bus stop. Click the Legend button to see what each building represents.

**QUESTION 1:** Do you estimate a surplus or deﬁcit in your monthly budget?

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6) Using Options->Run To, run the simulation to March 1, 2010. Be sure to buy food and bus tokens along the way as needed. Pay your rent, electricity, and renters insurance bills with your debit card.

7) Click Reports->Pay & Tax Records and view your last pay stub. Fill in your actual income on Worksheet 1 Click Reports->Bank Statements and view the statement for your checking account ending 2/28/2010. Fill in the actual amounts spent on Worksheet 1 and calculate the difference between the beginning and ending balance.

Use the beginning balance and the ending balance



to calculate your monthly expenditures.

Your bank statement will show all the

activity from your bank account for the month

**QUESTION 2:** Did your actual amounts match your budgeted amounts? If no, what caused the difference?

**Part B**

8) Click on a bank in the City View and open a savings account at HSN Bank.

Use an initial deposit of $300 to avoid fees.

9) Using Options->Run To, run the simulation to January 1, 2011. Each month, transfer any amount over $5,000 in your checking account into your savings account. Pay all bills that you receive and don’t forget to buy food and bus tokens. For this lesson, pay by debit card.

**QUESTION 3:** Did you encounter any surprises during the year? How did this affect your savings?

**QUESTION 4:** Why might someone want to have an “emergency fund”?

**QUESTION 5:** How much were you able to save, above your initial $300 deposit, in your savings account by the end of the year?

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