

BUDGETING ASSIGNMENT

by Lucas Wyte

for

11 Mathematics B

Financial Mathematics

October 1995

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Weekly Budget Research

INCOME:

EMPLOYMENT

✓ Recently I completed my tertiary studies and I have since been employed as a User Support Analyst for Select Appointments!. I found the position advertised in The Courier Mail with a salary of \$35,000, but accepted a salary of \$28,000 plus benefits due to my lack of experience.

✓ In order to calculate my weekly budget, I have used the 1994-95 Tax Pack to determine my net income. As I am an Australian citizen and I earn between \$20,701 and \$38,000, I must pay \$3,060 plus 34 cents for every \$1 over \$20,700 in tax. This brings my income to \$22,458 per year. In addition, as I want to put a little bit aside for my retirement, I will contribute 1 per cent of my income to my superannuation fund held by Sunsuper. This brings my income to \$22,233.42 net per year. This is also equivalent to approximately \$427.57 per week.

EXPENSES:

MOTOR VEHICLE

✓ I have saved \$2,000 towards purchasing a car, and as I do not want to be paying off a short-term asset over the long-term, as advised by the Money program on television, I have decided to purchase a 1981 Mazda 929 four-cylinder sedan for \$3,500. I have arranged a personal loan of \$1,500 at 13.5 per cent interest from the Metway Bank to be paid off over six months. The repayments will equal **\$65.48** per week.

✓ I understand I will also need to register the vehicle with compulsory third party insurance, which I have decided to take out with Suncorp Insurance. Total registration with C.T.P. will come to \$426.10. On a weekly basis, this will be equal to approximately **\$8.19** per week.

✓ I feel I should also be covered by comprehensive insurance, which I have also decided to take out with Suncorp Insurance for \$180.00. On a weekly basis, this will be equal to approximately **\$3.46** per week.

✓ As my sister in Yeppoon also owns a Madza 929, she has informed me that this is a rather inexpensive vehicle to run and maintain and should not cost me any more than **\$25.00** per week in petrol, parts and maintenance, even considering inner city travelling.

✓ From now until I have finally paid off the car in six months, I should be looking at spending approximately **\$102.13** per week total in motor vehicle expenses.

HOUSEHOLD

✓ Since moving to Brisbane, I have been share-living in a lovely two bedroom house in Taringa, close to the city. I found it by consulting the share accommodation listings in The Courier Mail. I am required to pay **\$80.00** rent per week plus bond (which my parents are putting up for me) and other expenses (listed below).

✓ For my own sense of security in case of any misfortune, I believe it is necessary to take out Home Contents Insurance. As I am only renting, I have decided to take out insurance with QBE Insurance on a contents replacement basis for \$132.26. On a weekly basis, this is equal to approximately **\$2.54** per week.

✓ My "flat-mate" and I have a telephone connected with Telstra and the bills comes to around \$50.00 per month. Divided between us, this is equal to \$25.00 each. For me, this is approximately **\$6.25** per week.

✓ Our electricity bi-monthly bill comes to around \$80.00. Once again divided between us, this is equal to \$40.00 each. On a weekly basis, this is around **\$5.00** per week.

I must eat to survive and each week I put aside **\$50.00** for my grocery purchases at Bi-Lo Supermarket. I find this amount is usually more than enough to meet my needs and my appetite.

✓ Overall, I am looking at spending a total of approximately **\$143.72** per week in household expenses.

RECREATION

I have found Brisbane to be a most enjoyable and exciting place to live, work and play in the short time I have been here. As I enjoy going out to nightclubs and the like on the weekend, I usually put aside **\$30.00** per week for entertainment purposes.

I also feel that the impression you make is very important, so I put aside **\$10.00** per week to purchase some new clothes and accessories every now and then.

As I am a member of a music club, I must purchase four CDs per year at a cost of \$28.00 each. Over a year, this equal to \$112.00. Therefore, I must put aside approximately **\$2.15** per week to fulfil the contract I have entered into.

✓ Per week, my total recreation expenses come to a total of approximately **\$42.15**.

MISCELLANEOUS

As I am not a psychic and never know what is just around the corner, I put aside \$50.00 per week for the unexpected expenses I may encounter.

SAVINGS

My remaining income, approximately equal to \$89.50, I deposit into my savings account held with the Metway Bank in order to purchase a new stereo system for the car in the not-too-distant future.

✓ My total expenditure comes to a total of \$427.57 per week.

INCOME - EXPENSES = \$0.00

Weekly Budget

PERSONAL WEEKLY BUDGET for Lucas Wyle, as at 9 October, 1995.

INCOME:

SALARY

Salary:	\$28,000.00 gross
Tax:	5,542.00
Salary:	22,458.00 net n/incl Superannuation
Super:	224.58
Salary:	\$22,233.42 net

TOTAL SALARY: **\$427.57 per week**

TOTAL INCOME: **\$427.57 per week**

EXPENSES:

MOTOR VEHICLE

Deposit: \$2,000.00

Loan: 1,500.00 (Metway Bank)

Interest: 202.50 (13.5 per cent)

Total: \$1,702.50
\$65.48 per week

Registration: \$257.10 (Queensland Transport)

C.T.P.: 169.00

Total: \$426.10
\$8.19 per week

Comprehensive \$180.00 (Suncorp Insurance incl. Stamp Duty)

Insurance: **\$3.46 per week**

Running Costs: **\$25.00 per week**

TOTAL MOTOR VEHICLE: **\$102.13 per week**

HOUSEHOLD

Rent: **\$80.00 per week**

Contents Insurance: \$118.80 (QBE Insurance)

Stamp Duty: 13.46

Total: \$132.26
\$2.54 per week

Telephone: \$25.00 (Telstra)
\$6.25 per week

Electricity: \$40.00
\$5.00 per week

Groceries: \$50.00 per week (Bi-Lo Supermarket)

TOTAL HOUSEHOLD: \$143.79 per week

RECREATION

Entertainment: \$30.00 per week

Clothing: \$10.00 per week

Music: \$112.00 (Australian CD Club)
\$2.15 per week

TOTAL RECREATION: \$42.15 per week

TOTAL MISCELLANEOUS: \$50.00 per week

TOTAL SAVINGS: \$89.50 per week

TOTAL EXPENSES: \$427.57 per week

INCOME - EXPENSES = \$0.00