

Unit 24 Planning a budget

1 Understand what basic budgeting involves

1.1 Describe why setting and monitoring a budget is important

Start by stating what a budget is, then why would you need to monitor that budget. Think about the purpose of a budget and what could happen if it is done properly.

1.2 Describe the features of a basic budget

Features are income (explain and give 3 examples)

Expenditure (explain and give three examples)

Balance (explain and say how it is calculated income-expenditure)

Savings (explain and give examples of how it may be used)

2 Know how to set up and run a basic budget

2.1 Set up and follow a basic budget, monitoring the budget at appropriate intervals

Create a budget on the budget planner

Form of income – Pocket money

Fill in the amount and the total income

Expenditure

Fill in what you would spend your money on in a week

Total the expenditure

Balance is total income- total expenditure

Savings is the amount that you could put away.

2.2 Maintain an accurate log or record, updated at regular intervals to show an accurate budget position

You have four weeks of budgets that need to be done. If you do not get pocket money say you get £30 and make up how you would spend it.

2.3 Describe what their role is when setting and monitoring a budget and describe the roles of any others involved

To answer this question say what the consequence would be if you were to produce a person's budget being given the wrong information and state who else could influence your budget.

3 Know how to represent their basic budget on an appropriate software package

3.1 Represent their budget on a spreadsheet, demonstrating the basic function of totalling a series of cells

Using Microsoft Excel produce a four month budget for Cassandra

Meet Cassandra

Cassandra is 16 and currently at college. Her parents want her to learn the value of money prior to going to university so they are no longer supporting their daughters' indulgences. Since starting at college she has managed to get herself a part-time job. This job is on Saturday working as a sales assistant getting £8 an hour for 4 hours. Prior to this the method she used to get additional money by helping her mum do chores on a Sunday in exchange for £10 a month. Her mobile top up is £10 per month.

In November she worked 2 Saturdays, December she worked 4 Saturdays and 23 hours in a week, January she worked 4 Saturdays and February 4 Saturdays and 10 hours overtime in the half term.

Now she has a job she has decided that she wants to buy a Nintendo switch costing £199 and two games cost £49 each. This budget will help her see when she can afford it.

In November she bought clothing with her first wage packet costing £20. She spends £2 a day on sweets and drinks on her way to college assume that she attends college everyday. In November she will be doing this for 2 weeks, December for 3 weeks, January 4 weeks and February 3 weeks.

In December as she was going to a number of parties so decided to treat herself to make up costing £10. She also thought that she would do her hair costing £15. Cassandra and her friends decided to do a secret Santa costing £10 this year. In the Christmas holidays she went to the cinema twice at a cost of this is £10 a trip. As it is her birthday next month she wants to get a provisional licence on-line costing £34.

In January she had her Seventh birthday where she received monetary gifts of £130 and chose to start learning to drive, so she had 3 lessons that month at £23 per lesson. As it was her birthday this month she got a new outfit for £70 and went out with her friends to Nando's costing £12.

In February as her lessons where going well she decide to have 5 lessons. In the half term she went to the cinema to see Dolittle. Format should look like this:

Cassandra's Budget

Income	November	December	January	February
Part time Job				
Allowance				
Gifts				
Total Income				
Less Expenses				
Clothing				
Top up				
Make up				
Secret santa				
Hair				
Nandos				
Driving lessons				
Sweets and drinks				
Cinema				
Provisional licence				
Total expenses				
Balance				
Total savings				