



TAVUA COLLEGE

Email: tavuacollege.3056@gmail.com

PHONE: 6680244 / 9369480

WEEKLY HOME STUDY PACKAGE - WEEK 5 (02/08/21 – 06/08/21)

Subject	HOME - ECONOMICS	Year/Level	13
Strand	13.1– Home - Management		
Sub-strand	HEC 13.1.2 Resources		
Content Learning Outcome	Explain the terms family income, budget and calculate savings /earnings and deductions.		

YEAR 13 SOLUTIONS

ACTIVITY/ REVIEW QUESTIONS

1. Use the conversion table to prepare budget for Mr. Charles Miller. (3 marks)

Mr. Charles Miller earns \$2000 per month from his taxi business. He rents out part of his house for \$200 per month. Each of his three sons sends him remittance of \$100 per month from abroad towards the family's living expenses. The family monthly expenditure is as follows:

House payment	\$ 600
Food	\$ 230
School supplies	\$ 60
Clothing	\$ 120
Transport	\$ 245
Medical Expenses	\$ 50

- Required:** a). Prepare Charles Miller's family budget for a year. (3 marks)
 b). Calculate the total amount of money that the Miller family can save in 3 years if they keep strictly to this budget.

a). Yearly/ Annual Budget for Mr. Charles Miller

Income:

Taxi Business	(\$2000 x 12 months)	=	\$ 24,000	
Rent received	(\$ 200 x 12 months)	=	\$2,400	
Remittance (\$100 x 3 sons)	(\$ 300 x 12 months)	=	\$3,600	
				\$ 30,000

Less Expense:

House payment	(\$ 600 x 12 months)	=	\$7200	
Food	(\$ 230 x 12 months)	=	2760	
School supplies	(\$ 60 x 12 months)	=	720	
Clothing	(\$120 x 12 months)	=	1440	
Transport	(\$ 245 x 12 months)	=	2940	
Medical Expenses	(\$50 x 12 months)	=	<u>600</u>	
Total Expenses				<u>\$15,660</u>
Savings				<u>\$14,340</u>

b). Savings x 3 years = \$14, 340 x 3 = **\$43, 020**

(2 marks)

2. Piker is a fisherman who sells fish on Saturdays. He earns \$400 monthly from his sales. His wife earns \$600 a month from working in a nearby supermarket. Their expenses are as follows:

Food	\$100	per week
Transport	\$50.00	per fortnight
Electricity bill	\$40.00	per month
Rent	\$200	per month
Insurance payment	\$60.00	per fortnight
Water bill	\$ 30.00	for 3 months.

Prepare a monthly budget for Mr. Piker.

(3 marks)

Monthly Budget for Mr. Charles Miller

Income:

Fish Sales	(\$400 x 1 month)	=	\$400	
Wife's Salary	(\$600 x 1month)	=	<u>\$600</u>	
				\$ 1000

Less Expense:

Food	(\$100 weeks x 4 [4 weeks in one month])	=	\$400	
Transport	(\$50 fortnight x 2 [2 fortnights in one month])	=	\$100	
Electricity Bill	(\$40 month x 1 month)	=	\$ 40	
Rent	(\$200 month x 1 month)	=	\$200	
Insurance	(\$60 fortnight x 2 [2 fortnights in one month])	=	\$120	
Water bill	(\$30 ÷ 3 months)	=	\$ 10	
Total Expenses				<u>\$870</u>
Savings				<u>\$130.00</u>

3. Differentiate between **Fixed expenses** and **Variable Expenses** with an example each. (2marks)

Fixed Expenses are those Expenses that remain constant throughout the period. E.g. Rent,

Insurance, Hire purchase whereas Variable Expenses are those that fluctuates e.g. electricity, food, travelling expense.