

## 2.4 Exercises



**Monthly Budget** In Exercises 1–7, balance the monthly budget by entering the correct amount in the green cells. (See Examples 1 and 2.)

	CATEGORY	MONTHLY ACTUAL AMOUNT	−	MONTHLY BUDGETED AMOUNT	=	DIFFERENCE
1.	<b>INCOME</b>	\$4500.00		\$4500.00		
	<b>Payroll Deductions</b>					
	Insurance (medical, dental, vision)	\$145.00		\$145.00		\$0.00
2.	Retirement/401(k)	\$225.00				\$0.00
	Federal income tax	\$560.00		\$560.00		\$0.00
	State and local income tax	\$180.00		\$180.00		\$0.00
	Social Security/Medicare tax	\$335.00		\$335.00		\$0.00
	<b>Total Deductions</b>	<b>\$1445.00</b>		<b>\$1445.00</b>		<b>\$0.00</b>
3.	<b>Net Income</b>			<b>\$3055.00</b>		<b>\$0.00</b>
	<b>EXPENSES</b>					
	<b>Home</b>					
	Mortgage or rent	\$760.00		\$760.00		\$0.00
	Homeowners/renters insurance	\$15.00		\$15.00		\$0.00
	Property taxes	\$0.00		\$0.00		\$0.00
	<b>Utilities</b>					
	Electricity	\$107.26		\$95.00		\$12.26
	Water and sewer	\$30.00		\$30.00		\$0.00
	Natural gas	\$110.00		\$110.00		\$0.00
	Telephone (landline, cell)	\$110.97		\$115.00		(\$4.03)
	<b>Food</b>					
4.	Groceries	\$268.34		\$300.00		
	Eating out, lunches, snacks	\$315.45		\$250.00		\$65.45
	<b>Transportation</b>					
	Car payments	\$384.00		\$384.00		\$0.00
5.	Gasoline/oil			\$75.00		(\$5.50)
	Auto insurance	\$115.00		\$115.00		\$0.00
	Auto repairs/maintenance/fees	\$0.00		\$20.00		(\$20.00)
6.	<b>Credit Cards</b>			\$45.00		\$55.00
7.	<b>Entertainment/Recreation</b>	\$205.75				(\$44.25)
	<b>Clothing</b>	\$0.00		\$50.00		(\$50.00)
	<b>Investments and Savings</b>	\$200.00		\$200.00		\$0.00
	<b>Miscellaneous</b>	\$142.54		\$200.00		(\$57.46)
	<b>Total Expenses</b>	<b>\$2933.81</b>		<b>\$3014.00</b>		<b>(\$80.19)</b>

8. **Expenses** Interpret the difference between the actual and the budgeted total expenses. (See Example 2.)