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US 28094 Budgeting and Goal Setting



Student Assessment

Student name:

NSN number:

Date (DD/MM/YYYY):

LEVEL

2

CREDITS

3

THEMES

Retirement

Saving

Goals

Managing my money

NZQA QAAM

3198

Produce a household budget, set a financial goal and review and adjust the budget to achieve the goal

Version: 4 | Level 2 | Credits: 3

Assessment activity



This assessment requires you to produce a household budget, set a financial goal and review and adjust the budget to achieve the goal. This assessment has one scenario and one task.

You will be assessed on how well you:

- produce a household budget, set a financial goal and review and adjust the budget to achieve the goal.

Award of grades

Evidence/Judgements for Achievement	Evidence/Judgements for Achievement with Merit	Evidence/Judgements for Achievement with Excellence
<p>You need to:</p> <ul style="list-style-type: none"> • set a financial goal • produce a household budget <p>Range of a household budget includes:</p> <ul style="list-style-type: none"> o income – take home pay, other income; o expenses – fixed or regular, variable or irregular; needs, wants, savings surplus, deficit. <ul style="list-style-type: none"> • review the household budget and adjust to achieve the financial goal. 	<p>As well as meeting the requirements for Achievement, you need to:</p> <ul style="list-style-type: none"> • explain the adjustments needed to achieve the financial goal. 	<p>As well as meeting the requirements for Merit, in your comparison of the two study funding options, you must:</p> <ul style="list-style-type: none"> • include justification of their suitability and the potential financial consequences and implications for future choices and responsibilities.

<p>Range of review includes:</p> <ul style="list-style-type: none">o comparing budget with actual income and expenseso inclusion of an emergency fund for unexpected expenses; <p>evidence of two changes to the household budget is required.</p> <ul style="list-style-type: none">• explain the frequency of review and adjustments to the budget in terms of how they meet the financial goal.		
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Conditions of assessment

This is an **open book assessment**. Your teacher will let you know what learning materials, work, and resources you can access to help you complete the assessment task. Answers must be in your own words.

Your teacher will provide you with information regarding timeframes for this assessment and options for presenting your responses.

Task

Read the scenario below. You will be required to produce a household budget, set a financial goal and review and adjust the budget to achieve the goal.

Scenario

Rebecca and Daniel are both 30 years old. They recently got married and own their own home in Whanganui. They are both teachers at the local high school. They each earn \$70,040 pa.

Daniel recently inherited \$10,000 from his late grandmother. He invested that money in a term deposit with his bank. The term deposit earns him 2.2%pa (\$220) interest annually.

Rebecca would like to try and have a baby within the next year and Daniel would like to take a sabbatical from school next year. They would also like to purchase a rental property to supplement their income and realise paying down their mortgage will assist them with this goal.

They would like to save \$1,000 per week.

They have the following household expenses:

Mortgage repayments \$3,192 per month
Rates \$2,929 annually
Electricity and gas (average) \$220 per month
House maintenance \$2,600 annually
Telephone/internet \$120 per month
Food \$120 per week
Clothes and shoes \$360 per month
Car petrol \$160 a week
Medical costs \$25 a fortnight
Sky TV \$85 a month
Entertainment \$100 a week
Insurance \$2,000 per year
Birthday gifts \$600 per year

Question One

a) Describe a financial goal for Rebecca and Daniel.

b) Produce a weekly household budget for Rebecca and Daniel (Round to 2 decimal places).

	Amount (\$)	Workings	Weekly budget	Q2. b) Adjusted weekly budget
INCOME				
Rebecca's salary	\$70,040 annually			
Daniel's salary	\$70,040 annually			
Interest received	\$220 annually			
TOTAL INCOME:				
EXPENSES				
FIXED/REGULAR EXPENSES				
VARIABLE/IRREGULAR EXPENSES				
TOTAL EXPENSES:				
SAVINGS	\$1,000 weekly			
SURPLUS/DEFICIT				

Question Two

a) Rebecca and Daniel know how important it is to review their budget and have tracked their spending over the last few months. They have noted that petrol and food costs have increased substantially. They also understand the need for an emergency fund.

Identify **two** household expenses that could be adjusted to ensure Rebecca and Daniel still operate at a surplus.

Adjustment 1	
Adjustment 2	

b) Use the two adjustments you made in Q2. a) and insert these in the last column of the budget table in Q1.

c) Explain and justify the changes that you made to the household budget to ensure Rebecca and Daniel achieve their financial goal.

d) Explain how often Rebecca and Daniel should review their budget.

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