

CDFS 600 – Module Assignments Lesson Plan Template

List which Module this lesson plan covers: **MODULE 2**

Title of Lesson/Subject: **“Managing a Monthly Budget”**

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Contact Information

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Time Allotment: **1-50 minute session**

Grade Level or Target Audience: **6th-8th grade**

ND Standards Competencies: **-8.3.1 Supply, demand, choice, decision, balance of trade, deficit, surplus, GNP*, revenue, markets, opportunity costs*, advertising, role of government**

-8.3.4 Budgets and examples of expenses, paychecks, how to use want ads and other features of newspapers in budget management, concept of cash flow, how a checking account works, use of credit versus cash including advantages and disadvantages, savings mechanisms, concept of interest

Key Economic Concepts: **Choice, Markets-Price and Quantity Determination, Role of Money, Role of Resources Determining Income**

Brief Description:

Learner Objectives: **How to manage money using a budget to follow.**

Introduction:

Materials Needed: **Assignment can also be done with pen, paper and calculator.**

Audio/Visual Equipment Needed: **Teacher will provide help on the chalkboard if needed.**

Lesson Outline: **Students are given a chart of a couple’s monthly expenses. This couple has to figure out how they can budget their money so they can either invest in a new car or buying a home. Students have to figure out if this is possible for them.**

Activities: **Students will be given a variety of essay questions. Helpful hints to the questions will be given by the chart.**

Application/Assignment: **Research will be done from chart provided in the lesson. All questions will be in Essay/Business Math Story problem form.**

Evaluation Plan: **Students will be evaluated on how they answered essay questions.**

BUDGETING EXPENSES

DESCRIPTION:

You can use a BUDGET SHEET to plan how much to spend each month.
 You need to make sure that your monthly budget does not exceed your monthly income.

EXAMPLE:

Read this budget sheet for Bryan and Sonya Carney and answer the following questions below.

<i>BUDGET SHEET</i>															
<p>LIVING EXPENSES: (monthly)</p> <table style="width: 100%; border-collapse: collapse;"> <tr><td>Food</td><td style="text-align: right;"><u>\$386</u></td></tr> <tr><td>Electricity</td><td style="text-align: right;"><u>\$ 76</u></td></tr> <tr><td>Natural Gas</td><td style="text-align: right;"><u>\$ 34</u></td></tr> <tr><td>Telephone</td><td style="text-align: right;"><u>\$ 82</u></td></tr> </table>	Food	<u>\$386</u>	Electricity	<u>\$ 76</u>	Natural Gas	<u>\$ 34</u>	Telephone	<u>\$ 82</u>	<p>FIXED EXPENSES: (monthly)</p> <table style="width: 100%; border-collapse: collapse;"> <tr><td>Rent</td><td style="text-align: right;"><u>\$ 545</u></td></tr> <tr><td>Car Payment</td><td style="text-align: right;"><u>\$ 295</u></td></tr> <tr><td>Savings</td><td style="text-align: right;"><u>\$ 40</u></td></tr> </table>	Rent	<u>\$ 545</u>	Car Payment	<u>\$ 295</u>	Savings	<u>\$ 40</u>
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<p>TRANSPORTATION: (monthly)</p> <table style="width: 100%; border-collapse: collapse;"> <tr><td>Gas/Oil</td><td style="text-align: right;"><u>\$112</u></td></tr> <tr><td>Repairs</td><td style="text-align: right;"><u>\$ 45</u></td></tr> <tr><td>Tire/Misc. (annual)</td><td style="text-align: right;"><u>\$200</u></td></tr> </table>	Gas/Oil	<u>\$112</u>	Repairs	<u>\$ 45</u>	Tire/Misc. (annual)	<u>\$200</u>	<p>INSURANCE: (annual amounts)</p> <table style="width: 100%; border-collapse: collapse;"> <tr><td>Life</td><td style="text-align: right;"><u>\$ 300</u></td></tr> <tr><td>Home</td><td style="text-align: right;"><u>\$ 350</u></td></tr> <tr><td>Car</td><td style="text-align: right;"><u>\$ 850</u></td></tr> <tr><td>Medical/Dental</td><td style="text-align: right;"><u>\$3000</u></td></tr> </table>	Life	<u>\$ 300</u>	Home	<u>\$ 350</u>	Car	<u>\$ 850</u>	Medical/Dental	<u>\$3000</u>
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<p>PERSONAL: (monthly)</p> <table style="width: 100%; border-collapse: collapse;"> <tr><td>Clothing</td><td style="text-align: right;"><u>\$ 45</u></td></tr> <tr><td>Expenses</td><td style="text-align: right;"><u>\$ 75</u></td></tr> </table>	Clothing	<u>\$ 45</u>	Expenses	<u>\$ 75</u>	<p>ENTERTAINMENT: (monthly)</p> <table style="width: 100%; border-collapse: collapse;"> <tr><td>Movies/Sports:</td><td style="text-align: right;"><u>\$ 55</u></td></tr> <tr><td>Eating Out</td><td style="text-align: right;"><u>\$ 60</u></td></tr> </table>	Movies/Sports:	<u>\$ 55</u>	Eating Out	<u>\$ 60</u>						
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Bryan makes about \$36,000 a year with a take home pay of \$2300 a month.
 Sonya makes about \$13,500 a year with a take home pay of \$950 a month.

Answer the following questions:

1. How much money was budgeted for gas/oil? **64**
2. What is Bryan and Sonya’s net pay per month? **\$2300 + \$950=\$3250**
3. How much is it per month to pay for:

Life Insurance-	\$300/12=\$25
Car Insurance-	\$850/12=\$70.83
Medical/Dental-	\$3000/12=\$250
4. How much does Bryan and Sonya spend each month on “Entertainment?”

\$55 + \$60 = \$115
5. What is the total monthly budget for “fixed expenses?”

\$545 + \$295 + \$40 = \$880

6. How much was budgeted a month for “living expenses?”

$$\mathbf{\$386 + \$76 + \$34 + \$82 = \$578}$$

7. 7. How much was budgeted a month for “Transportation?”

$$\mathbf{\$112 + \$45 + (\$200/12) = \$106.66}$$

8. What are Sonya and Bryan’s total monthly expenses?

Living Expenses-	\$578.00
Transportation-	\$106.66
Fixed Expenses-	\$880.00
Insurance-	\$375.00
Entertainment-	\$115.00
Personal-	<u>\$120.00</u>
TOTAL	<u>\$2174.66</u>

9. How much money does Bryan and Sonya have left over after expenses?

$$\mathbf{\$3250.00 - \$2174.66 = \$1075.34}$$

10. With Bryan and Sonya’s Income, could they afford to buy a house instead of rent an apartment?

11. If you were Sonya and Bryan, what would you do with the extra money made by the two of them?

12. Would it be more feasible to “purchase a house” or “purchase an automobile?”

13. Which one will depreciate faster, the house or the car?