



Introduction to Business  
Chapter 28 Planning a Budget

(A) budget, (B) net pay, (C) gross pay, (D) budget variance, (E) fixed expenses, (F) income, (G) money management, (H) deductions, (I) withholding, (J) variable expenses (K) expenditures,

1. \_\_\_\_\_ are expenses that fluctuate and over which you have no control.
2. \_\_\_\_\_ Your \_\_\_\_\_ is your gross pay minus deductions.
3. \_\_\_\_\_ An important part of managing money is making a plan, or a \_\_\_\_\_
4. \_\_\_\_\_ Your \_\_\_\_\_ is the total amount of money you earn for a specific time.
5. \_\_\_\_\_ are expenses that occur regularly and that must be paid regularly.
6. \_\_\_\_\_ Taxes, insurance payments, retirement contributions, and union dues are examples of \_\_\_\_\_
7. \_\_\_\_\_ The process of planning how to get the most from your money is called.
8. \_\_\_\_\_ Your \_\_\_\_\_ is the actual amount of money you earn or receive during a given time period.
9. \_\_\_\_\_ Money subtracted from a paycheck for taxes is called your \_\_\_\_\_.
10. \_\_\_\_\_ Clothing, food, and rent are examples of spending money on \_\_\_\_\_.
11. \_\_\_\_\_ The difference between planned, or budgeted spending, and actual spending is called. \_\_\_\_\_.

12. What is money management?
13. What is the purpose of a budget?
14. What are the three categories of items that should be included in a budget?
15. Should a budget ever be changed. Why or Why not?
16. What is the difference between fixed expenses and variable expenses? Give example of each.
17. Why is it important to save part of your income on a regular basis?
18. How can using a computer help in budgeting?

Budget	Annual	Monthly	%
Income (after taxes)	\$31,200.00	\$2,600.00	
Fixed Expenses			
Rent payments	\$7,800.00	\$650.00	25%
Insurance payments	\$1,200.00	\$100.00	4%
Loan and credit card payments	\$2,220.00	\$185.00	7%
Variable Expenses			
Food	\$4,800.00	\$400.00	15%
Utilities (heat, phone, elect	\$1,920.00	\$160.00	6%
Car repair/transportation	\$1,860.00	\$155.00	6%
Contributions/gifts	\$720.00	\$60.00	2%
Health and personal care	\$1,140.00	\$95.00	4%
Travel	\$600.00	\$50.00	2%
Entertainment	\$900.00	\$75.00	3%
Clothing	\$2,040.00	\$170.00	7%
Household (furniture, supplies)	\$3,000.00	\$250.00	10%
Savings	\$3,000.00	\$250.00	10%
<b>Total Expenses</b>	<b>\$31,200.00</b>	<b>\$2,600.00</b>	<b>100%</b>

## Earnings

- Real median earnings of men age 15 and older who worked full-time, year-round in 2003 (\$40,668) remained unchanged from 2002. Women with similar work experience saw their earnings decline — 0.6 percent to \$30,724 — their first annual decline since 1995. As a result, the ratio of female-to-male earnings for full-time, year-round workers was 76 cents for every dollar in 2003, down from 77 cents for every dollar in 2002. [U.S. Census Press Release](#)