Budget Unit Test

Part A: *Budget Basics*

1. The amount of money an employee takes home after taxes and any deductions is _____.
   a. Social Security
   b. Gross pay
   c. Net pay
   d. Paycheck

2. Which of the following is a fixed expense?
   a. Rent
   b. Food
   c. Clothes
   d. Entertainment

3. Which of the following is a flexible expense?
   a. Car payment
   b. Mortgage payment
   c. Recreation
   d. Monthly insurance premium

4. The first step in preparing a personal budget is _____.
   a. Writing out all your expenses
   b. Putting as much in the bank as possible
   c. Figuring out how much money you are working with
   d. Throwing a party with any "left over" money

5. The amount an employee makes before taxes and deductions is _____.
   a. Social Security
   b. Gross Pay
   c. Net Pay
   d. Paycheck

Part B: *Read and Interpret a Budget*

DIRECTIONS: Jane Jones created the following budgeting worksheet for herself. Please calculate the 'Difference' in each budget category. Then, answer four questions about her budget.

Jane Jones Budget June, 20—

Category	Budgeted	Actual	Difference (+/-)
INCOME Houlihan's	$2333.46	2333.46	
Rent	$585.00	$585.00	
Car payment	$415.00	$415.00	
Car insurance	$90.00	$90.00	
Savings	$235.00	$235.00	
Utilities	$120.55	$127.95	
Food	$415.00	$425.00	
Cell phone	$71.91	$71.91	
Gas / oil	$125.00	$105.00	
Clothes	$125.00	$150.00	
Entertainment	$95.00	$52.00	
Personal	$41.00	$25.00	
Miscellaneous	$15.00	$22.00	
TOTAL Monthly Expenses			

Use Jane's budget to answer the following questions.
6.   Which of the following is a result from the budget shown above? Jane was _____.
   a. Over budget
   b. Under budget
   c. Exactly on budget
   d. None of the above.

7. What was the total difference you calculated?
   a. $29.60
   b. $19.60
   c. $49.99
   d. $0, the budget was even

8. List **ALL** categories that Jane UNDER-budgeted (*HINT: Budgeted too little money.*)

9.   List **ALL** categories that Jane OVER-budgeted. (*HINT: Budgeted too much money.*)