

Budget

a) Joan can save 25% of her net income from a cashier job so that she can attend a community college and take a course as an EMT. The cost of the program is \$5,000.

a. What is the net income that Joan earns?

$$25\% \cdot \text{net income (ni)} = 5000 \Rightarrow .25 \cdot \text{ni} = 5000 \Rightarrow \text{ni} = 20,000$$

b. If her monthly net income is \$1000, how many months will it take for her to earn the amount needed?

$$\frac{\text{total net income}}{\text{monthly net income}} = \frac{20000}{1000} = 20$$

b) John works as a welder at a potash mine. He has an annual income of \$60,000, which after deductions, yields a monthly income of \$3,850.00

a. What percentage of John's gross income goes to employment deductions?

$$\text{Total net income} = 12 \cdot 3,850 = 46,200$$

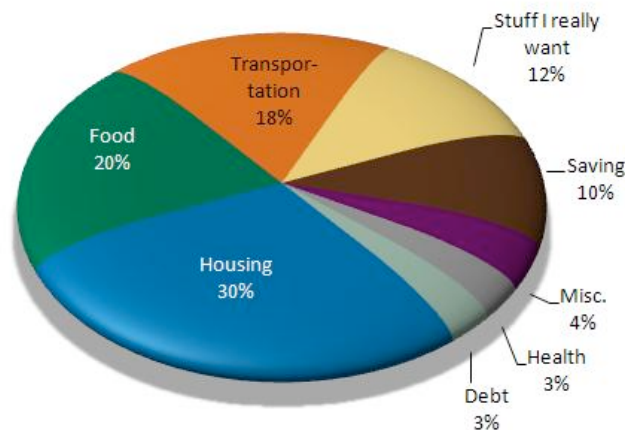
$$\text{Deductions} = 60,000 - 46,200 = 13,800$$

$$\text{Percent that goes to deductions} = \frac{13,800}{60,000} = .23 = 23\%$$

b. What percentage of his monthly income must be saved if he is able to afford at \$2,000 vacation in 9 months?

$$\text{Total net income for 9 months} = 9 \cdot 3,850 = 34,650$$

$$\text{Percent for holiday} = \frac{2000}{34,650} = .0577 = 5.77\%$$



c) a. If the total net income for the month was \$4,500.00 how much did the family spend on

a. food? $4500 \cdot 20\% = 4500 \cdot .20 = 900$

b. Savings? $4500 \cdot 10\% = 4500 \cdot .10 = 450$

c. Housing? $4500 \cdot 30\% = 4500 \cdot .30 = 1350$

- b. If the total family income for one month was supplemented by an extra \$600.00 how much would they have available for debt reduction?

$$4500 + 600 = 5100$$

$$5100 \cdot 3\% = 5100 \cdot .03 = 153$$