

SECTION 4



CREATE A BUDGET WELDON HOUSEHOLD

Household budget sample question

The following is a budget for the Weldon household for four months September to December 2019: Opening Cash in Hand is €400. Discuss the answers for each of the boxes.

Planned Income

Jack Weldon earns **€2,800** net per month and expects to receive a Christmas bonus of **€400** net in December.

Mia Weldon earns **€2,400** net per month and expects this to decrease by **€800** per month from 1 October.

Child Benefit is expected to be **€425** per month.

Planned Expenditure

The house mortgage of **€900** per month will increase by **€40** per month from 1 November.

House insurance premium is **€720** per year, payable monthly from 1 September.

The Weldon household pays a health insurance premium of **€150** per month. This premium will increase by **€25** per month from 1 December 2019.

Household costs are **€1,500** per month, except in December, when they will be **€600** extra.

The Weldon household uses public transport to travel to work. Jack's bus ticket costs **€130** per month and Mia's DART ticket costs **€90** per month. They also expect to use taxis costing **€50** for a concert in October.

Bills for light and heat are expected to be **€165** in September and **€210** in November.

Home heating oil is expected to cost **€600** in December.

Telephone bills for the landline are expected to be **€100** in October and **€110** in December. In addition, bills for mobile phones will cost the household **€70** per month.

Birthday presents will cost **€120** in September and **€190** in October, while Christmas presents will cost **€720** in December.

Entertainment will cost **€450** each month, except in October, when concert tickets will cost an extra **€200**.

The Weldon family are going away for a weekend holiday in November at a cost of **€900**. They must pay a deposit of 20% of the total cost in September and the balance in November.

- Complete the blank Household Budget form (below) using all the above figures.
- Explain the term 'Discretionary Expenditure'.



CCPC

Coimisiún um
Iomláiocht agus
Cosaint Tomhaltóirí

Competition and
Consumer Protection
Commission

SECTION 4



CREATE A BUDGET

WELDON HOUSEHOLD



Budget	September	October	November	December	Total
	€	€	€	€	€
Planned Income					
Jack Weldon - Salary					
Mia Weldon - Salary					
Child Benefit					
A. Total Income					
Planned Expenditure					
Fixed					
House mortgage					
House insurance					
Health insurance					
Subtotal:					
Irregular					
Household costs					
Transport costs					
Light & heat					
Telephone costs					
Subtotal:					
Discretionary					
Presents					
Entertainment costs					
Holiday costs					
Subtotal:					
B. Total Expenditure					
Net Cash (A - B)					
Opening Cash					
Closing Cash					



CCPC

Coimisiún um
Iomláocht agus
Cosaint Tomhaltóirí

Competition and
Consumer Protection
Commission