

# **I'm Not Flipping Burgers When I'm 70**

## **Chapter 1 – Developing the Budget Review Questions**

1. When a bill amount is a fixed amount it means:

- A) It varies monthly
- B) It varies every other month
- C) It remains the same every time it is paid
- D) The bill amount fluctuates on a yearly basis

2. How many months of disposable income should be saved in the Emergency Fund?

- A) 24
- B) one to three
- C) three to six
- D) 12

3. When a bill amount is a varied amount it means:

- A) It remains the same every time it is paid
- B) The bill amount fluctuates on a yearly basis
- C) It can change at every interval that it is paid
- D) None of the above

4. What bills are considered as variable expenses?

- A) Credit card annual fee
- B) Gasoline
- C) Electric bill
- D) Groceries

5. What bills are considered as fixed expenses? Circle all that apply.

- A) Rent payment
- B) Gasoline
- C) Electric bill
- D) Coffee at the gas station

6. What is a Supplemental account?

- A) Checking account
- B) An account for investments
- C) An account to hold surplus cash as a stipend to pay future bills
- D) None of the above

7. Bonus checks are created as a result of:

- A) The yearly tax return
- B) A yearly bonus from the employer
- C) By accounting for four checks each month for weekly pay periods or two checks per month for biweekly pay periods
- D) By putting extra money aside each month into the Supplemental account.

8. What is the primary goal of the Supplemental Account? Circle all that apply.

- A) To have money to pay for credit card bills
- B) To ensure that all of the periodic and variable bills are covered when they come due
- C) To ensure that all of the fixed bills are covered when they come due
- D) None of the above

9. Without a Supplemental Account what may transpire in the future?

- A) In a given month there is not enough income to cover the expenses
- B) In a given month there may be a surplus due to the periodic expenses
- C) Both A and B
- D) None of the above

10. If the gym membership is \$60 every six months how much money is put into the Supplemental account each month?

- A) \$10
- B) \$12
- C) \$5
- D) \$0

11) What are some the expenses occur periodically that requires them to be developed into fixed amounts for the Supplemental account?

12) If Jasper is paid on a weekly basis, beginning from the first Friday in the calendar year what are the four months in the year that he will receive a fifth check?

13) If Jasper earns a \$120,000 annual salary and he withdraws 12% from his 401k with 33% taxes removed, based on a biweekly pay schedule what is his take home pay? Show your answer two decimal places out.

14) Jasper pays 20% in taxes and over the last six months he's earned the following commission of \$236, \$456, \$785, \$663, \$534 and \$924. What is his take home pay for each of the months? Determine the average monthly income which will be his monthly income for his budget.