

Day 7: Determining Expenses and Keeping Track of Money

Example 1:

Jim is planning a spring break trip to Jamaica. It is 5 months until his vacation. The air fare costs \$449. The travel agent suggests \$1000 US for spending money. If the exchange rate is \$1 US = \$1.53 CAN.

Determine the total cost of the trip.

How much should Jim save each month to pay for his trip? \div

Calculate the cost in US \$

Spending Money: \$1000

Air fare: \$449 CAN $\frac{449}{1.53} = 293.46 \text{ US}$

Total: \$1000 + 293.46 = \$1293.46 US

$\frac{\$1293.46}{5} = 258.69 / \text{month US}$

$\frac{258.69}{1.53} = 169.08 \text{ CAN}$

Costco

6 pack Coke \$2.49

$$\frac{2.49}{6} = 0.42$$

OR
* Flat of 24 coke \$7.99

$$\frac{7.99}{24}$$

$$2.49 \times 4 = \underline{9.96}$$

$$\underline{0.33}$$

Example 2:

The Chan's property has a market value of \$208,000. In their area, the assessed value of property is 70% of the market value. The current mill rate is 26 mills (note: in reference to mill rate, 1 mill is equal to 1/1000 of \$1).

Determine the Chan's property tax for the year.

How much should the Chan's budget each month for this expense?

$$PT = \frac{\text{assessed value} \times \text{mill rate}}{1000}$$


$$PT = \frac{208000 \times 0.7 \times 26}{1000}$$

$$PT = \frac{\$3785.60}{12} = \underline{\underline{\$315.47}}$$

Reconciling Bank Statements

The process whereby one confirms that personal records agree with the charges and transactions listed by a bank's statement.

One method for reconciling bank statements is listed on pg. 59.

		Chris Haddad 49 Spire Hillway, Cookeville, MB, M7B 2S3	Account no. 4325193 Number of enclosures 2 Period ending 15/10/98
Description	Debit	Credit	Balance
Balance forward			15/09 523.14
Cash withdrawal	50.00		17/09 473.14
Cheque 034	62.18		20/09 410.96
Deposit		341.60	29/09 752.56
Maintenance fee	9.75		01/10 742.81
Withdrawal	40.00		04/10 702.81
Cheque 035	137.64		05/10 565.17
Withdrawal	60.00		10/10 505.17
Withdrawal	40.00		12/10 465.17

525.17

Date	No.	Description	Credit	Debit	✓	Balance
		Balance forward			✓	523.14
Sept. 17		Withdrawal		50.00	✓	473.14
Sept. 18	34	The Electronic Store		62.18	✓	410.96
Sept. 29		Deposit	341.60		✓	751.56
Oct. 3	35	Clothing Express		137.64	✓	614.10
Oct. 4		Withdrawal		40.00	✓	574.10
Oct. 12		Withdrawal		40.00	✓	534.10
Oct. 15	36	Bike and Skate		63.12	✓	450.98

534.92
- 9.75
525.17

Service fee 9.75

Pg. 54 1, 3, 5, 7

Pg. 59 2 Reconcile Bank Statement