

Money and financial mathematics

→ Focus

To create a simple finance plan or budget.

Let's think about money

A **budget** is a way of keeping track of money that you receive and money that you spend. Businesses generally record their budgets on a **spreadsheet**.

- For his 11th birthday, Alex received \$20 from grandma, \$15 from Tom, \$15 from Jasmine, \$10 from Mario and \$50 from his parents.
 - How much did he receive altogether?
 - With the money, Alex plans to buy an Xbox for \$180. How much more will he need to save?
 - If Alex receives \$10 pocket money each week, how long will it take him to save up the rest of the money?
- A spreadsheet sets out how much money is coming in and out. Each week Lily receives \$8 pocket money. Look at how Lily recorded her pocket money during June. Complete the **balance** column in your book and answer the questions.

Date	Money in	Money out	Balance
Total left from May			\$84.00
4 June	\$8.00	\$4.00 cafe	
11 June	\$8.00		
15 June	\$50.00 Birthday!	\$25.00 new top	
18 June	\$8.00	\$11.00 movies	
25 June	\$8.00		

- How much money did Lily have on 11 June?
- How much money did Lily receive during June?
- How much money did Lily spend in June?
- How much money did Lily have at the end of June?
- How much pocket money will Lily receive in July?



Businesses also use invoices to record how much they spend or receive. They may send out a tax invoice so that a customer knows how much they have to pay. Invoices usually include a tax called GST (Goods and Services Tax).

3 Look at this tax invoice from an electrical store, and answer the questions.

a What percentage of GST is on each item?

b What was the total cost of the goods?

c How much GST did the customer pay altogether?

d Why do think GST needs to be recorded on a tax invoice?

TAX INVOICE number 537		Norm's electrical goods		
Date: 16 August		ABN: 21 633 478 958		
Quantity	Description	Unit price	GST	Total
2	Column heaters	\$125.00	\$12.50	\$275.00
1	Ceiling fan	\$89.00	\$8.90	\$97.90
3	Powerboards	\$45.00	\$4.50	\$148.50
Total amount payable within 30 days (includes GST):				

Now try these

- Create your own budget for one month. You could choose the month of your birthday or Christmas. Include how much money comes in to you through pocket money, gifts etc., and include any amounts you spend.
- Imagine you were given \$100.00 to spend on a trip to the movies for yourself and four friends. Work out what you might spend on tickets and what you might buy at the candy bar, using the prices below.

Children's movie tickets: \$11.00 each

Popcorn: small \$4.00; medium \$6.00; large \$8.00

Drinks: small \$2.00; medium \$3.00; large \$4.00

Chocolate bars: \$2.50 each

Lolly bags: \$3.00 each

Choc-top ice creams: \$3.50 each

Lolly pops: \$1.00 each



Thinking about your thinking

Why do you think it might be useful to keep a budget?