

Who wants to be a millionaire?

Assignment

Objectives

- Set up a budget that would allow you to live the type of life you would like.
- Understand what skills and knowledge you need to get there.
- Complete calculations and set up a budget on Excel.
- Have fun dreaming of the future while realising what these dreams may cost.
- Understand what it takes to be a successful adult in Australia today.

During this project you will need to fill out the worksheet and have a spread sheet that will show all your calculations and contain a working budget. Your expenses must fall within your income.

Tasks

Set up a **monthly budget** on *Excel*, get information off the internet and **note down the websites** that you chose.

Choose the type of **career** that will provide you with the necessary income, and how much **education** is needed for such a career.

1. Construct a **budget** according to a job you choose.
2. Find a **house** or **apartment** that you can afford. You can have roommates if you need help in covering the monthly mortgage.
3. Find a **car** or other type of transportation.
4. Fill out the **worksheet** and print it out.
5. Create a Power Point presentation.

Each part of the project is detailed below.

Finding careers

Now it's time to find a career. Using the link to Seek website

www.seek.com.au/jobs-resources/articles/salary-info, find a career that you are interested in and that will give you the needed income to afford the lifestyle you want. Include the amount of education needed for your career.



As soon as you have found a career, calculate the tax (refer to "Setting up your budget").

Enter all this into the **budget spread sheet**. You will then have your **net yearly income**.

Finding a house



After you have a career and an income, you need to try and get a house to live in. Almost everyone has an idea of where they would like to live, and what type of house they would like to own. It's your job to use the links below to find your dream house. After you do so, make sure to note where the house is **located**, and what the selling **price** is. Also make sure to note the **URL** that you used.

www.realestate.com.au

www.domain.com.au

When you find the house you want, go to

<http://www.rs.realestate.com.au/cgi-bin/rsearch?a=calc&jar=LoanRepayment&t=res>

to calculate the monthly repayments on your mortgage. Enter the price of the house. Use 7% as your interest rate and 25 years as a loan period.

If you cannot afford this house, search for a smaller house or an apartment. Or you can try a different suburb.

Finding a car



Most people also have ideas on what type of car they would like to own. Use the links below to find your dream car. Make sure to note the **price** of the car. Also make sure to note the **URL** that you used.

www.carsales.com.au

www.drive.com.au

When you find the car you want, go to

<http://www.esanda.com/personal/car-finance/car-loan-repayment-calculator/>

to calculate your monthly repayments. Enter the amount of money you want to loan, the interest rate should be 10%, the loan term 5 years and the payment frequency – monthly. We will assume that you get comprehensive car insurance (full) and it costs you 4% of the cost of the car per year. Put this in your budget spread sheet as an expense.

Setting up your budget

The next step is to set up your **budget**. This will entail the following steps:

- Figure out your **monthly mortgage payment** and your **monthly car payment**. Assume that you only have a **10% deposit** for your **mortgage**.
- If your income is **lower** than \$100,000. Please use the percentages given to determine your monthly budget. (Note: the percentages given are not necessarily a typical or recommended budget.)

Housing: 35%
Vehicle: 15%
Utilities: 6%
Taxes: 25%
Food: 10%
Savings: 2%
Entertainment: 3%
Other: 4%

- If your annual income is **higher** than \$100,000, then these are the percentages you need to use

Housing: 36%
Vehicle: 16%
Utilities: 3%
Taxes: 40%
Food: 7 %
Savings: 3%
Entertainment: 2%
Other: 3%

- Decide if your net income will make it possible for you to afford your house and car. If not go and find a car and a house that you can afford.
- Examine your spread sheet to see how much money you should budget for the remainder of your household expenses. Make sure to double check your calculations. Then enter those household expenses into your spread sheet.

Complete the project

The **completed project** should contain the Excel budget spread sheet filled out and printed out, Budget worksheet and a Power Point presentation.

The final step of this project is to create a Power Point to present your budget and lifestyle. Your presentation should have the following:

- An opening slide which includes your name and the basics of your career, education and family life
- A slide that shows the yearly income your earn and the taxes paid
- A slide that shows the chosen vehicle and specific information about your vehicle (colour, year, make, radio, airbags, insurance). Explain why you chose this car.
- A slide that has the information about the price of the car, how much you borrowed, monthly repayments and interest you pay overall
- A slide that shows all the details about your house, where it is located, other information including photos. Explain why you chose this house.
- A slide that shows how much the house is, how much money you borrowed, the monthly repayments and how much interest you pay overall
- Your monthly budget, including all expenses balanced against your net pay (after tax).
- And lastly, discuss the choices you have made and what problems might arise in the future.

Each slide need only be a brief synopsis of what you have in your report. Keep it simple yet informative. After work is received by your teacher, it will be evaluated according to this rubric.

PERSONAL BUDGET PROJECT WORKSHEET

Name:

Date:

DIRECTIONS: Please answer the following questions as directed on the Personal Budget project.

Finding a Career:

Which occupation did you choose? Why?

How much will you make per year?

What education will you need?

Finding a House:

Where is the house?

How much does it cost?

Which Website did you use?

What income would you need to afford the house?

Finding a Car:

What type of car?

How much does it cost?

Which website did you use?

What income would you need to afford the car?

Rubric

1, Understand key terms and concepts (e.g. loan, interest, income, tax, expenditure, repayments)

0, No evidence

1, You have identified the key terms which are associated with managing your finances

2, You have discussed the concepts associated with managing your finances

2, Monthly budget

0, No evidence

1, You have presented the monthly budget for this project

2, You have presented the monthly budget and shown the calculations for this project

3, Description of the car chosen

0, No evidence

1, You have described the car chosen and included the calculations.

2, You have discussed the car chosen and included the calculations.

4, Description of the house chosen

0, No evidence

1, You have described the house chosen and included the calculations.

2, You have discussed the house chosen and included the calculations.

5, General information about yourself

0, No evidence

1, You have provide the information about your income, taxes, education and job

6, Power Point Structure

0, No evidence

1, Your Power Point slides are placed in a coherent order.

2, Your Power Point slides are clearly structured including headings, information in dot points, and images.

7, Clarity of expression

0, No evidence

1, Your expression of explanations needs work: sentence structure is convoluted OR numerous spelling/grammar errors

2, Your expression explanations is clear: sentence structure is sound, and minimal spelling/grammar errors are present.

Comments:

/13

Student comments/reflections:
