

Personal Budget

Name: _____ () Class: _____ Date: _____

Activity 1

Sorting out personal expenses record

The following are Lee Siu Ming's Octopus payment record and the receipts of cash transactions from the past week:

Octopus Card Transaction Record

2018-02-06	MTR	\$10
2018-02-06	Fairwood	\$32
2018-02-07	MTR	\$10
2018-02-07	McDonald's	\$33
2018-02-08	MTR	\$10
2018-02-08	7-Eleven convenience store – Stirred Noodles Set	\$15
2018-02-09	MTR	\$10
2018-02-10	MTR	\$10
2018-02-11	Flag donation	\$10

Koeng Kei Cha Chuan Teng
Date: 2018-2-9
Pork chop and scrambled egg with rice 1 45.00
Total: **\$45.00**

YOSHINOYA
10/02/2018
Student set – Beef with rice 1 30.0
Total: \$30
Pay in cash: \$100
Change Due: \$70

Purchase history in the App Store
Smart Warrior Mobile Game
Amount: \$60
Date: 06/02/2018

CK Cinema
Superhero- Final Battle
10/02/2018 07:00PM
TICKET IIA
Student \$40

Delicious Catering Outlet
2018/02/02
Fishball Quantity 1 HK\$10.0
Total: **HK\$10.0**

New Telecommunications
Payment date: 11/02/2018

Item	Payment amount
Phone bill- February	\$80

1. According to the above information, sort out Lee Siu Ming's weekly expenses.

Expenses (Weekly)	
Transportation	
Lunch	
Snacks	
Phone bill	
Donations	
Entertainment	

2. Lee Siu Ming has \$400 pocket money each week. He hopes to save \$100 per week in order to have \$1,200 in three months' time to visit Disneyland and buy souvenirs. Can he achieve his goal?

3. What are the benefits of keeping track of personal expenses on a regular basis?

Activity 2

Group discussion (Creating and adjusting a personal budget)

Select one of the following budget cases to conduct group discussions. Upon completion, send representatives to report to the teacher and classmates.

Case 1

Read the following information and answer the questions.

HK News

Hong Kong Daily

2018-03-02

Tertiary Student's Excessive Consumption Makes Bankruptcy Common

[Summary reports] A research shows that the number of tertiary students declaring bankruptcy in 2016 has increased compared with last year. A social worker found that some tertiary students apply for loans or credit cards to invest in the stock market, and for entertainment. He had contacted a young man who went bankrupt due to buying gifts for his girlfriend. Youth experts pointed out that young people are easily tempted by materials. Many people do not consider their real needs when shopping, but merely conform with the others. It is recommended that young people should think about their real needs and affordability before making purchases.



Chan Tai Keung said, 'I am currently studying at university, and I often go out to eat with my hallmates. I also meet my secondary school classmates during my free time, and I have to buy some fashionable clothes so that I would not be behind the times. On festive occasions, I will have buffet meals with my girlfriend in luxurious hotels as celebration. Moreover, I always pay with my credit cards and I only repay the minimum payment monthly.'

Personal budget (Monthly)		
	Amount (\$)	Total (\$)
Pocket money	3,000	
Income from tutorial classes	3,000	
Total income		6,000
Savings	100	
Expenses		
Transportation	400	
Phone bill	300	
Food & beverage	1,800	
Entertainment	2,000	
Family expenses	1,000	
Others	400	
Total expenses		6,000

1. Do you think Chan Tai Keung's approach to financial management is appropriate? If you were his friend, how would you persuade him?

2. What are the reasons for young people's excessive consumption?

3. Is it necessary for everyone to save money? Why?

4. What expenses may be included in 'Others'? Free to answer.

Case 2

Read the following information and answer the questions.

HK News

Hong Kong Daily

2018-03-02

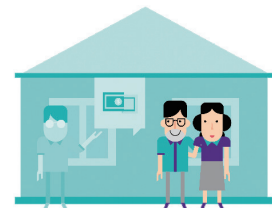
High Property Price in Hong Kong Makes Home Ownership Difficult for Young People

[Summary reports] In February 2018, the Cenci-City Leading Index, which reflects the property prices in Hong Kong, hit another record high. Many fresh graduates found it very difficult to buy an apartment. They believed that they can only purchase houses with the help of their parents. An interviewee Mr. Cheung said that his monthly salary is only \$10,000. Even if he did not spend, he would have to save for many years to pay for the down payment. Property agents suggested buyers with insufficient funds to consider buying units in old buildings or remote areas, or with a smaller size.

Lee Siu Wah said, 'I have just got married with my girlfriend Mei Ling but I have no plans to buy a house. The current property price is high; we cannot afford to purchase a house no matter how hard-working we are. We should reduce savings, have fun, and travel more in order to broaden our horizons. We can rent a flat after marriage.'

Chan Mei Ling said, 'A lot of my friends cut down their food and clothing expenses to save purchasing a house. Siu Wah, you should plan more for the future and not only look at the short-term.'

Family budget (Monthly)		
	Amount (\$)	Total (\$)
Salary: Lee Siu Wah	25,000	
Salary: Chan Mei Ling	13,000	
Total income		38,000
Savings	0	
Expenses		
Transportation	1,800	
Insurance	2,500	
Family expenses	6,000	
Phone bill	700	
Food & beverage	7,000	
Entertainment	6,500	
Water & electricity bill	800	
Rent	11,000	
Donations	500	
Others	2,000	
Total expenses		39,800



1. Prioritise Lee Siu Wah's expenses and explain the reasons.

2. Do you agree with Lee Siu Wah that he should not purchase a house but spend money on leisure and entertainment instead?

3. Is the current budget of Lee Siu Wah's family feasible? Try to help him adjust his budget.

Family budget (Monthly)		
	Amount (\$)	Total (\$)
Salary: Lee Siu Wah	25,000	
Salary: Chan Mei Ling	13,000	
Total income		38,000
Savings		
Expenses		
Transportation	<hr/>	
Insurance	<hr/>	
Family expenses	<hr/>	
Phone bill	<hr/>	
Food & beverage	<hr/>	
Entertainment	<hr/>	
Water & electricity bill	<hr/>	
Rent	<hr/>	
Donations	<hr/>	
Others	<hr/>	
Total expenses		

4. What expenses may be included in 'Others'?

Summary

- ♦ $\text{Income} = \text{Savings} + (\text{Expenses} + \text{Donations})$
- ♦ Four steps to create a budget:
 1. Expense tracking helps understand your personal spending habits.
 2. Goal setting helps realise how much you should save.
 3. Budgeting itemises the amount of income, savings, expenses and donations.
 4. Reviewing the budget to see if it is feasible. Make adjustments if necessary.
- ♦ How to adjust the budget:
 1. Reduce expenses, such as cutting expenses on entertainment
 2. Plan earlier such as extending the time period to achieve the goal
 3. Increase income



Extension activity

1. Collect shopping receipts and check the Octopus payment records. Find out your expenses in the past week.

Expenses (Weekly)	
Transportation	
Food & beverage	
Entertainment	
Phone bill	
Donations	
Others	

2. My savings goal is to save \$_____ within _____ weeks.

3. Create a personal budget.

Personal budget (Monthly)		
	Amount (\$)	Total (\$)
Pocket money	_____	
Others	_____	
Total income		_____
Savings	_____	
Necessary expenses		
_____	_____	
_____	_____	
_____	_____	
_____	_____	
Non-necessary expenses		
_____	_____	
_____	_____	
_____	_____	
_____	_____	
Others	_____	
Total expenses		_____

4. Is your budget feasible? If not, please adjust your budget.
