UNIT 3
Income, expenditure, profit and loss

1.1 Fixed income - salary

1.2 Variable Income - giving extra lessons; baking and selling cakes

1.3 Occasional Income - having a jumble / garage sale / mowing lawn

1.4 Fixed Expense - repaying a loan; school fees; rent

1.5 Variable Expense - electricity bill; petrol; telephone

1.6 Occasional Expense - holiday; dining out

1.7 High Priority Expense - medical aid payments

1.8 Low Priority Expense - entertainment

2. A budget is an **estimation** of income and expenditure for a given time period.
An income and expenditure statement is the **actual** report showing income and expenses for a given time period.

3.1 R4 500,00 + R3 500,00 + R340,00 + R800,00 + R300,00 + R550,00 + R1 230,00 + R1 000,00 + R750,00 + R500,00 = R13 470

3.2 R 15 500 - R 13 470 = R2 030

3.3 R2 030 could be set aside (saved) for unseen expenses; buy something that is really needed. It would be far wiser to save it than to spend it.

3.4 Increase in school fees
$= 15\% \times R1\ 230 = R184,50$

Increase in electricity
$= 32\% \times R800 = R256,00$

Total increase $= R184,50 + R256,00$
$= R440,50$

Expenses after increase
$= R13\ 470 + R440,50$
$= R13\ 910,50$

Yes, the income is still more than the expenses.

3.5 % spent of groceries $= \dfrac{R3\ 500}{R15\ 500} \times 100$

$= 22{,}58\%$

4.1.1 Soccer Tour Budget

	INCOME	EXPENSES
Bus Hire		R12 500,00
Accommodation		R6 000,00
Food		R11 250,00
Tournament fees		R3 000,00
Sponsorship	R15 000,00	
Players contribution	R19 500,00	
Total	**R34 500,00**	**R32 750,00**

∴ Profit/Surplus = R34 500 - R32 750,00
= R1 750,00

4.1.2 Yes. They will have R1 750,00 in case of emergencies.

4.2.1

	INCOME	EXPENSES
Bus Hire		R12 500,00
Accommodation		R6 500,00
Food		R10 758,50
Tournament fees		R3 000,00
Toll road fees		R350,00
Hospital visit		R750,00
Sponsorship	R18 000,00	
Players contribution	R19 500,00	
Total	**R37 500,00**	**R33 858,50**

∴ Profit/Surplus = R37 500 - R33 858,50 = R3 641,50

4.2.2 The cost of movies = $15 \times R45$ = R675,00
Cost of pizza = $15 \times R69{,}99$ = R1 049,85
Total = R1 724,85

There is R3 641,50 left in the budget:
R3 641,50 - R1 724,85 = R1 916,65, which will be enough to pay for the toll road fees.

5.1 A = R9 900,00   B = R9 580,15

5.2 A - B = R319,85   5.3 Profit

5.4 Any values where profit (A - B) ≥ R1 000

6.1 The school provides them.

6.2 A discount is subtracted from the amount you are charged.

6.3 A: $10 \times R85$ = R850,00
B: $15 \times R22{,}50$ = R337,50
C: $R180 \div 4$ = R45,00
D: R11 000,00
E: $R11\ 000{,}00 \times 14\%$ = R1 540,00
F: R11 000,00 + R1 540,00 = R12 540,00

6.4 $\dfrac{R12\ 540}{80}$ = R156,75 ≈ R160

6.5 You have a small amount of money extra in case you need something you haven't budgeted for. It is easier to collect the money - no coins involved.

1.1

1.2

2.1