

Good day Grade sevens,

I hope you are all well and working hard. Hopefully we'll see each other soon!

Below are two activities for you to complete to practise drawing up a budget, as well as practising some calculations as illustrated in the example I gave you in the previous document.

Please feel free to send me an email should you need help with anything:

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1. Use the information below to draw up the budget for June and July for PK Traders, a wholesaler.

**Remember to draw up a separate budget for each month, starting with June and then July underneath it.**

- PK Traders expects to sell stock (sales) to the value of R120 000 during June and R130 000 during July.
- PK Traders rents some of its premises to a retailer and will receive an amount of R10 000 rent for June; rent will increase by 10% for July.
- Water and Electricity to be paid to the City of Tshwane is expected to amount to R3 500 for June and an extra R500 for July.
- PK Traders has invested money at Coronation Bank and receives interest on this money every July-an amount of R1 200 is expected to be received.
- Employee's salaries for June will amount to R32 000; there are two employees who are retiring at the end of June and the salaries for July will therefore decrease by 12%.
- PK Trader's financial year ends in June and it is expected that an amount of R17 500 will have to be paid to the South African Revenue Service for tax.
- PK Traders has two delivery vehicles and fuel for June is expected to amount to R2 500, with this amount increasing by 5% in July.
- Insurance on the stock in the shop amounts to R980 per month.
- It is predicted that PK Traders will have to buy new equipment (shelves, tills, computers) for the shop in July. They are budgeting R20 000 for this.

2. **Do not attempt to draw up a budget for this question. Only answer the questions by doing a few calculations.**

For the past few months, Katlego has had the following expenses every month:

- R200 for transport to and from school
- R100 for tuckshop at school
- R100 for airtime
- R50 for socialising with her friends

She receives R500 pocket money every month. The above income and expenses relate to May 2020.

Answer the following questions:

2.1 Katlego's driver let her know that the transport would increase in June 2020 by 10%. How much will Katlego's transport be in June?

2.2 Katlego has decided to socialise less with her friends next month as it is becoming very expensive. She will spend R10 less every month as from June 2020 and save this money to buy Christmas gifts. How much will she spend in June? If she spends R10 less in July than what she spent in June, how much will this amount to in July?

2.3 Give a definition for a budget. Why should we draw up a personal budget?

2.4 If Katlego decides save 12% of her pocket money every month, how much will she save every month?



