

Answers to budget activities from last week

1.

PK Traders
BUDGET JUNE 2020

Income	R
Sales	120 000
Rent income	10 000
Total income	130 000
Expenses	
Water and Electricity	3 500
Salaries	32 000
Tax to SARS	17 500
Fuel	2 500
Insurance	980
Total expenses	56 480
Surplus (130 000 – 56 480)	73 520

PK Traders
BUDGET JULY 2020

Income	R
Surplus from June	73 250
Sales	130 000
Rent income	11 000
Interest on investment	1 200
Total income	215 450
Expenses	
Water and Electricity	4 000
Salaries	28 160
Fuel	2 625
Insurance	980
New equipment	20 000
Total expenses	55 765
Surplus (215450 – 55 765)	159 685

NOTES:

- Be careful of items like tax, equipment and interest on investment that only appear in one month's budget as indicated in the exercise.
- Rent for July: $R10\ 000 + 10\% = R11\ 000$
- Water and Electricity for July: $R3\ 500 + R500 = R4\ 000$
- Salaries for July: $R32\ 000 - 12\% = R28\ 160$
- Fuel for July: $R2\ 500 + 5\% = R2\ 625$
- **REMEMBER TO BRING THE SURPLUS FROM JUNE AND START WITH THAT AMOUNT UNDER INCOME FOR JULY; ALSO REMEMBER TO ADD IT TO THE OTHER INCOMES TO GET THE TOTAL INCOME FOR JULY.**

2.

2.1 Katlego's transport in June:

$$R200 + 10\% = R220$$

2.2 Katlego's socialising:

$$\text{June: } R50 - R10 = R40$$

$$\text{July: } R40 - R10 = R30$$

2.3 A budget is a financial plan which is used to predict future income and expenditure. It is important that we draw up a personal budget to ensure that we do not spend more than what we have, and possibly to try and save every month too.

2.4 $R500 \times 12\% = R60$ in savings every month.