Make a Budget: Quiz KEY

1. Your income is $4,500 a month. Your expenses include:
Housing: $1,500
Food and family needs: $1,500
Wants and “fun money”: $700
Savings: $1,000

What can you do to balance your budget?

A) This budget is already balanced.

✓ B) Reduce food and family needs by $200.

C) Reduce “fun money” expenses by $400.

D) Reduce your savings by $300.

2. You need a new pair of shoes unexpectedly and went over your clothing budget for the month by $40. What can you do to adjust?

A) Use your emergency savings to cover the extra amount.

B) Take out a short-term payday loan.

✓ C) Reduce your spending by $40 in another budget category to cover it.

D) There’s nothing you can do once you go over budget.

3. Your income is $4,000 a month. How much should you plan to spend to balance your budget?

A) Less than $4,000 a month.

✓ B) Exactly $4,000 a month.

C) More than $4,000 a month.

4. Eloise earned a performance bonus of $1,200 at work. Money’s been tight, and she could really use some extra cash all year long. How should Eloise budget her bonus?

✓ A) Spread her bonus out by budgeting to spend $100 of it every month.

B) Plan to spend the entire $1,200 the month she receives the bonus.

C) Eloise shouldn’t include the bonus in her budget since it’s variable income.

Make a Budget: Quiz KEY

5. You make anywhere from $200 to $400 a month from your side business. You budget for $200 a month. What happens if you make more than $200?

- [x] A) You should make a plan for how you'll spend any extra money you make.
- [ ] B) You shouldn't make a plan for extra money since it's not guaranteed.
- [ ] C) You should always budget for $400 a month instead of $200.

6. You pay $9.99 for a music streaming service every month. Is this a fixed or variable expense?

- [x] A) Fixed
- [ ] B) Variable

7. You typically spend anywhere between $30 and $60 on clothes every month. What should you estimate for your monthly budget?

- [x] A) You should use an average of $45 to keep your budget consistent.
- [ ] B) You should budget $30 every month.
- [ ] C) You should budget $70 a month to make sure you're always covered.
- [ ] D) You shouldn't use a budget for clothing since it's a variable expense.

8. Zo's goal is to save and invest money for education expenses. Using online calculators, she decides she wants to have $20,000 saved over the next 5 years (60 months). Which strategy should Zo try?

- [x] A) Save $334 every month ($20,000 / 60 months).
- [ ] B) Don't include this in her budget, but funnel any extra money she receives toward the goal.
- [ ] C) Aim to save less money now and more money later — she'll probably make more in the future, anyway.
- [ ] D) Don't include this in her budget since it's a longer-term goal.

Make a Budget: Quiz KEY

9. What's the ultimate goal of a zero-based budget?

- A) For your income minus your expenses to equal zero.
- B) For your income minus your expenses to be more than zero.
- C) For your income minus your expenses to be less than zero.

10. You bought a hot tea today, but it was only $2.50. Do you need to include it in your budget tracker?

- A) Yes! You need to include every expense you have in your budget, even if it's small.
- B) Nope! Since it's under $5, you don't need to include it in your budget.

zogo