

Performance Assessment Task

Building a Budget

Zak and Kim are twins in high school, both having started new jobs. Their parents have asked each of them to create a budget that will cover their expenses and allow for 30% to be saved and 7% donated to charity.



WORK PROFILES FOR EACH TWIN:

Zak	Kim
18 hr/wk at McDuffy's Fast Food restaurant	15 hr/wk at Save Lots Grocery
Minimum wage plus \$0.25/hr	Minimum wage
Eligible for a \$1/hr raise every 6 months	\$200 bonus semi-annually and annual raise of \$0.75/hr

Assume each twin has 15% withheld from their gross pay each pay period for taxes and deductions.

BUILD A BUDGET:

Take on the role of one of the twins and **create a balanced personal budget** to account for the expenses identified on the next page. Describe how you decided on the amount to allocate to each category.

*Note: You are asked to account for the **9** items that are identified as common expenses for each twin.*

- **Also**, you are to include the **one** item that is identified as an item that is exclusive for each twin (either the gas for Zak or the magazines for Kim).
- **In addition to this**, you are to choose one additional expense of your own liking that you think would be reasonable for someone of this age in your neighbourhood.

Building a Budget (Continued)

DEMONSTRATE YOUR UNDERSTANDING OF BANKING AND INVESTMENT OPTIONS AVAILABLE:

- **Select the bank account** that would work best for you at a public bank. What made you choose it over other options?
- **Explain why there is a difference in the amounts of compound interest** you will have accumulated at the end of 5 years of investment. After the first year, the plan is to invest your savings accumulated in a GIC, (guaranteed investment certificate) at 2.5% for 5 years. You have two options: Compound monthly or annually? *Why would a person choose to invest either way?*
- **Manipulate the simple interest formula** to calculate the rate a simple interest savings account would have to offer for you to earn the same interest as a GIC that paid \$332.50 interest on \$2500.00 for the 5-year term?

Present this information to the parents in a format of your choice. Clearly communicate your projected budget and portray your understanding of banking and investment options available to you. Include any graphs, charts, tables, spreadsheets and/or calculations that will support the detail in your budget. Explain any assumptions you may have made.

Here is the list of budget categories for you to account for:

- *Lunch at school cafeteria (2x/wk)*
- *Restaurant meals*
- *Bank fees*
- *Clothing*
- *Cell phone*
- *Movies/Entertainment*
- *Gifts*
- *Savings*
- *Charitable donations*

Also, (choose one applicable):

- *Gas (Zak's scooter uses 3L/week)*
- *Teen Magazine Subscription (Kim)*

Finally,

- *Include a typical expense for someone your age - your choice!*

Rubric: Building a Budget

Student _____ Date _____

Level \ Criteria	Excellent	Proficient	Adequate	Limited *	Insufficient/ Blank *
Prepare personal budget (Number 2.) [CN, PS, R, T]	Creates a perceptive budget and provides an astute justification for the amounts allotted to each category.	Creates a thoughtful budget and provides a credible justification for the amounts allotted to each category.	Creates a basic budget and provides a reasonable justification of amounts allotted to each category.	Creates a questionable budget that provides a flawed justification of the amounts allotted to each category.	No score is awarded because there is insufficient evidence of student performance based on the requirements of the assessment task.
Select bank account (Number 4.) [C, CN, R, T]	Provides a compelling explanation for selecting the bank account.	Provides a credible explanation for selecting the bank account.	Provides a simplistic explanation for selecting the bank account.	Provides an inconclusive explanation for selecting the bank account.	
Manipulate a formula to solve a problem (Algebra 1.) [CN, PS, R]	Selects and correctly manipulates formula; applies it in an accurate manner to solve the problem.	Selects and correctly manipulates formula; applies it in a substantially correct manner to solve the problem.	Selects and correctly manipulates formula; applies it in a partially correct manner to solve the problem.	Unable to select correct formula and/or unable to apply it to solve the problem.	
Explain compound interest (Number 3.) [CN, ME, PS, T]	Provides a precise explanation to account for the difference in the amount of money accumulated.	Provides a logical explanation to account for the difference in the amount of money accumulated.	Provides a basic explanation to account for the difference in the amount of money accumulated.	Provides an inaccurate explanation to account for the difference in the amount of money accumulated.	

* When work is judged to be limited or insufficient, the teacher makes decisions about appropriate intervention to help the student improve.