**Your Task: Create a Budget for the Month of December**

You have been given a debit card and credit card (which has an interest rate of 12%) from a financial institution. You may use either form of payment. Your budget is $200/month. If you use your credit card, you must determine how many months it will take you to pay it off (including interest) as well as how much you need to save/set aside each month to pay it off. No matter how you spend your time, chances are you will spend money on gifts, family, friends, celebrations, food, entertainment and social outings. BUT, you must also save 10% of your money for emergencies and the future.

**In addition, define/answer the following:**

**Financial institution**

**Credit**

**Interest**

**Debit card**

**What is difference between a debit and credit card? What are the advantages and disadvantages of using each?**

During the month of December, you have to spend money in the categories listed below.

Remember, your monthly allowance is $200. Select three activities/items for each category. Use the computer to look up the REALISTIC cost of each. Create a budget using the form provided.

* **Food/Dining:**

Example:

* Starbucks: 10x in 30 days = $4.80 = $48
* Yogli Mogli = 3x in 30 days = approximately $3 per visit = $9
* Taco Mac = Chicken Tenders: $8.35 +$2 tip = $10.35
* **Entertainment:** Movies, Stars and Strikes, Ice skating, books etc.
* **Gifts/Money spent on family friends and/or OTHER**
* You must save at least 10 percent of your money
* If you use your credit card, you must remember to include the cost of interest (12%) in your budget.

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| --- | --- | --- | --- | --- |
| **RUBRIC** | **3** | **2** | **1** | **Total** |
| Completeness/Transactions | form is complete and includes at least 3 transactions per category | form is complete and includes 2 transactions per category | form is complete and includes 1 transaction per category |  |
| Accuracy | balance/math is accurate, included the cost of extra fees (i.e. tips, interest etc) | balance/math is accurate, left out the cost of extra fees | form is complete and includes 1 transaction per category |  |
| Vocabulary | defined all vocabulary words/questions | defined 3 out of five vocabulary words/questions | defined 2 or fewer vocabulary words |  |
| FINAL GRADE |  |  |  |  |