

Section B

Answer all questions.

All questions carry equal marks.

Question 16

(a) (i) Compile the budget for Cara Fearon based on the information given below.

- Cara earns a monthly salary of €3,100 and expects to earn a bonus of €2,000 in September.
- She will receive a dividend on shares of €800 in November.
- Her house mortgage of €1,250 decreases by 2% from 1 October.
- House insurance is €600 per year and is payable monthly.
- Health insurance is €110 per month.
- Groceries are €480 per month, except in December when they will be an additional €400.
- Car running costs are expected to be €85 per month, except in November when a car service will cost an additional €200.
- Household charges will amount to €200 per month.
- Presents will cost €60 in September and €850 in December.
- Entertainment costs are expected to be €300 per month.
- A holiday in September will cost €1,250.

Cara Fearon	Sept	Oct	Nov	Dec	TOTAL
PLANNED INCOME					
Cara Fearon – salary					
Dividend on shares					
TOTAL INCOME					
PLANNED EXPENDITURE					
Fixed					
House mortgage					
House insurance					
Health insurance					
Subtotal					
Irregular					
Groceries					
Car running costs					
Household charges					
Subtotal					
Discretionary					
Presents					
Entertainment					
Holiday					
Subtotal					
TOTAL EXPENDITURE					
Net cash					
Opening cash	200				
Closing cash					

**Question 14**

Complete the following extract from the Quinn household budget for three months.

Months	July	August	September	Total
Net cash	520	(300)	450	670
Opening cash	375	895		375
Closing cash		595		

Workings

**Question 15**

In January 2018 the government introduced a scheme giving grants for each person for home use.  
Seán and Maureen O'Mahony were  
have now decided to

**Question 13**

Keith and Janet Malone live in Cork with their children. Keith is employed as a retail manager and Janet is employed as a substitute teacher. Their income plan for the first four months of the year is detailed below:

<b>MALONE FAMILY 2018</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>Total</b>
<b>PLANNED INCOME</b>	€	€	€	€	€
Salary – Keith	3,500	2,500	2,500	2,500	
Salary – Janet	2,980	2,980	1,480	1,480	
Child Benefit	420	420	420	420	
Total Income					

- (a) Complete the income plan for the Malone family above.
- (b) The child benefit rate in Ireland is paid at €140 per child per month. Based on this information, calculate how many children the Malone family will receive child benefit for.

Workings:

Answer: \_\_\_\_\_

**Question 13**

Complete the following extract from the Keogh household budget for four months.

Month	May	June	July	August	Total
Net cash	400	500	400	650	1,950
Opening cash	600	1,000			600
Closing cash		1,500			

Workings:

**Question 14**

Explain the insurance principle **insurable interest**.