

Math Applications, Investigation 1, Finance

Introduction

My spreadsheet covers the details of the average expenses for Perth and for Sydney. I was tasked to compare the two cities to see which of the two would be more expensive to reside in while studying and getting an allowance from Austudy to help cover some costs. My parents have offered to pay my cost of living fees as if I was living in Perth. I plan to use the two provided links from Expatisan for both Perth and Sydney. I will also be using a piece of information from the website, Sydney Morning Herald.

Some Key words and definitions for a budget:

- **Variable** – The cost of these items may vary each time your purchase these goods or services. You may not even purchase these regularly.
- **Fixed** – The price of these goods and services are not flexible and remain the same for each month.
- **Discretionary** – This is basically someone's 'wants' and not necessarily required for basic living. The prices for these can fluctuate as well like Variable expenses.
- **Net** – In the terms of finances, net means how much money you take home, or 'pocket' for yourself. This total excludes taxes, expenses, fines, fees, and debt.
- **Gross** – This is your initial amount of money you earn, or initial income. This total includes money that will be used for things such as taxes, expenses, fines, fees, and debt

I will be answering the following questions for my financial model; which city has the higher cost of living, the deficit between the cost of living and the amount my parents will fund, the amount I will receive from Austudy, and the income I will need to earn to fund any shortcomings in funds.

Numerical and Technological Analysis

I have created a spreadsheet that compares the cost of living between Perth and Sydney and will be attached to this assignment as an .xlsx file.

Interpretation of the results from part 2 in relation to the original questions

Sydney has a higher cost of living when compared to Perth. In Sydney, my total yearly expenditure comes to \$49,091.68, and my parents will pay \$29,856.24, leaving with me to pay \$19,235.44 Per Year. For Perth, my expenditure is \$35,588.64, and my parents will pay \$29,856.24. This leaves me to pay \$5,732.40. From Austudy, I will receive the maximum payment for a single, which is \$426.80. I receive this maximum payment because I earn \$423.80 a fortnight, which does not make me eligible for any reductions. For Sydney, I will need to pay \$19,235.44 a year, where ever Perth I only must pay \$5,732.40 a year.

Conclusion

In summary, it would be much, much more expensive to go and study in Sydney, rather than to stay local in Perth. It would be \$13,503.04 more expensive to live in Sydney than Perth. I think I have created a professional looking spreadsheet that is easy to understand and read, and my report has some professionalism about it as well. I could have used some more expenses from other sources but restrained from doing so and stayed within the limits of www.expatisan.com except for one minor instance. Some limitations of this project were the assigning of cities to students. I understand that it was done to prevent friends working on it together, as that lesson we were

allowed to choose where we sat, as it was correctly presumed that friend groups would sit together, and if people from the same table each got different cities, would make it harder to work together and produce individual work. It would have worked out easier if we could choose a city, then report it to the teacher, so everyone chooses their own city, with the teacher making a list so no double ups occur. People that had not reported what city that they would want would be allocated a randomly selected city, that no other student had chosen.

I would barely be able to afford the move to Sydney as I would only have \$2,136.20 spare each year, when compared to Perth when I would have \$15,639.24 left over each year. Because of this, it would be much better to remain in Perth as it would be easier to save and become self-dependant with more money.

Bibliography

www.expatisan.com/cost-of-living/perth

www.expatisan.com/cost-of-living/sydney

<https://www.smh.com.au/lifestyle/fashion/sustainable-style-how-much-should-a-tshirt-cost-20161115-gspn4i.html> (6th paragraph)

Mathematics Workbook, Applications Year 11, Unit 1. J. Klup