# Application Activity: Managing Finances

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**Part 1: Self-Reliance**

1. Give **at least two** reasons why the self-reliant approach to finances can lead to greater peace and stability for you. Use at least one specific example from the course reading or your own life to support each reason in your response.
2. Reason 1: It’s a prove of being responsible and Confidence.
3. Example from the course or your life to support this reason: As a married person, I feel responsible for the provision of the basic amenities of my immediate family, and the ability to provide food, clothing and shelter for my family makes me feel that I am a responsible man.
4. Reason 2: Increases Spirituality
5. Example from the course or your life to support this reason: The Apostle Paul taught “But if any provide not for his own, and specially for those of his own house, he hath denied the faith….” Being self reliant has helped me increase spirituality and faith through tithe and fast offering payment, I feel increased faith when I contribute my quota in building the kingdom of God through tithe and offering payment.
6. Give one reason why interest can hurt your finances. Use at least one specific example from the course reading or your own life to support your response.
7. Reason: Heavy Debt
8. Example from the course or your life to support this reason: Early last year I took a loan to boost my business and to match competitors, when repayment was due, I realized that all I have made couldn’t pay for the loan and its interest.

I asked God for guidance and was able to repay, Though I was making huge profits, at the end of the day my reason for taken the loan was defeated and I had little left for my business and I struggled, through the help of God the business was able to survive.

## Part 2: Open and Download Needed Files for the Budget

1. **Open** your Expense Tracker Excel file. You were instructed to track all expenses and income for two weeks.
   1. If you had access to a bank, you didn’t need to track expenses on the Expense Tracker file. It is now time to obtain a bank report of your recent account activity.
2. **Download** the [Budget Template](https://resourcecenter.byupathway.org/file/pc101/pc101-document-budgettemplate.xlsx) Excel file. You will not turn in your actual budget but use it to honestly answer the questions at the end of this document.

## Part 3: Enter Income Sources and Budget Categories

1. On the budget template, enter the start and end dates for your budget. This is typically the first of the month to the last day of the month or payday to payday. The budget needs to span one month.
2. In column A, starting in row 10, list all your income sources for the coming month.
3. Then in column B, give your best estimate of the amount of money you expect to earn from each source.
4. Consider the list of expense categories in column D, and the categories you used in your Expense Tracker. Modify the categories to best fit your situation.
5. Once you have listed your expense categories in column D, use column E to indicate whether each is a fixed or a variable expense. Your responses may differ from those in the example.
6. Now, look at the expenses you tracked for the last two weeks to help you create a budget for the coming month. Even though you have only tracked for two weeks, you can multiply some of these items by 2 to fill a month. Enter the amount you plan to spend in each category in the appropriate cells in column F.

## Part 4. Balance Your Budget

1. Review that the total income you expect to earn is given in cell B8 and the total expenses in cell F8. If the number in cell F8 is more than the number in B8, it means that your planned expenses exceed your total income. Your budget is not balanced.
2. Though there is likely not much you can do to adjust your fixed expenses, look over your variable expenses and make necessary adjustments until your Total Income expected (cell B8) is equal to or only slightly greater than the Total Expenses budgeted (cell F8).
   1. If you can’t balance your budget by adjusting the variable expenses, you will need to consider what fixed expenses you can adjust (i.e. – reducing or canceling services, subscriptions, etc.) or what other income you could acquire.
3. When you finish, your budget should look something like the following.

A screenshot of a cell phone

Description automatically generated

1. Notice this assignment did not ask you to put in any information into columns C and G. Those columns are for you to fill in later. The course will not ask about this, but if you stick to this budget, the actual amounts should generally be equal to or less than the budgeted or expected amounts. It is up to you to manage your finances!

### Part 5: Reflect

Answer the following questions:

1. Did you download and complete a budget? Yes
2. Did you classify all your expenses as fixed or variable? Yes
3. Did you adjust the budget so your expenses did not exceed your income?

YES

1. Describe at least one challenge to keeping a budget where your expenses do not exceed your income.

Spending on less important things.

1. Describe at least one way to overcome this challenge.

Increasing Saving, i.e., saving the remaining funds and sticking to the budget will help overcome this challenge.

# Submission Instructions

Just submit this document to the course for grading and feedback. You do not need to submit the budget that you completed.