

Unit Standard 7469

Activity 1 (SO1, AC1-2)

This is an individual activity

1. Complete schedule A

Schedule A

Monthly Income (Schedule A)	
Husband	
Wife	
Other	
Total Income (Net)	

Activity 2 (SO3-4)

This is an individual activity

1. Arrange the following budget items in the applicable category as set out in the schedule.

telephone	savings	petrol	bond or rent
travel costs	alcohol	life insurance	retirement annuity
cigarettes	hire purchase	entertainment	vehicle payments
school fees	groceries	clothing	unforeseen costs
rates & taxes	short-term insurance	cell phone	water & electricity
funeral policies	stokvel		

2. Complete Schedule B

Schedule B

Monthly Expenses			
Expenditure	Estimate	Actual	Date Paid
Fixed Expenditure			
Variable Expenditure			
Discretionary Expenditure			
Sub Total			
Total Expenditure			

This is an individual activity.

3. Draw up your personal budget.

BUDGET			
EXPENDITURE	ESTIMATE	ACTUAL	DATE PAID
Fixed Expenditure			
Sub Total			
Variable Expenditure			
Sub Total			
Discretionary Expenditure			
Sub Total			
Unforeseen Costs			
TOTAL EXPENDITURE			

Activity 3(S01-4) Costs, prices, revenue, profit

Discuss this activity in a group and note the answers.

1. John and Rebecca Moalisi have decided to start their own business. They are going to make and sell hot dogs in front of a busy shopping centre. Their monthly costs (expenses) will be approximately R700 to buy bread rolls and viennas. They aim to sell 600 hot dogs per month. One hot dog will cost them 50c to prepare and they'll sell them for R2.50. Is their business going to be profitable or not? Use the following formula for your calculation: Profit = Margin x Volume – Expenses

2. Explain costs in terms of a business

3. How does a business generate revenue?

4. How can you cut back on your personal expenses in order to save some money?

Activity 4 (SO2, AC104)

Discuss the first part of this activity in a group and note the answers.

1. Calculate simple interest

Money required: R 10 000

Interest rate: 22,5%

Payback period: One Year

What is the interest in rand per month?

$$\begin{array}{r} \text{R 10 000} \\ \hline 1 \end{array} \times \begin{array}{r} 22,5 \\ \hline 100 \end{array} \text{ divide by 12}$$

2. What is the total interest payable over the one year period?

3. What is the total monthly payment?

4. **This is an individual activity:** What is the interest per month if the interest rate increases by another 1,5%?

R 10 000 x 24

$$\begin{array}{r} \text{R 10 000} \\ \hline 1 \end{array} \times \begin{array}{r} 24 \\ \hline 100 \end{array}$$

5. What is the total interest payable over the one year period if the increase came into effect at the beginning of the seventh month?

Discuss the first part of this activity in a group and note the answers.

6. **Calculate compound interest:** There are 95500 people living in Mankwe. The annual growth rate is 6.% every year. What will the population of Mankwe be after 10 years?

This is an individual activity

7. You invest R678 for 12 years at a rate of 15.6%. What would your returns be at the end of year 12?

8. A father wants to have R16 000 available for his sons education on his 18th birthday. Calculate the amount he must invest on his son's 10th birthday at 14% compounded interest?

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9. The Maluti Company bought equipment to the value of R43 200. The yearly depreciation is 12 %. After 12 year it is sold. Calculate the value of the equipment after 12 year.

Activity 5 SO2, (AC1-4) Inflation

Discuss the first part of this activity in a group and note the answers.

The Rule Of 72

1. Assuming a rate of inflation of 12%, calculate, using the Rule of 72, when the price of goods will double (i.e. the number of years).

This is an individual activity

2. Assuming a rate of 10%, use the Rule of 72.

This is an individual activity

3. Assuming a rate of 8%, use the Rule of 72.

This is an individual activity

- Angela is set to retire in 27 years' time. At the moment she earns R5000 per month. If inflation remains at 8% on average, what will Angela have to be earning at the time of her retirement to maintain her standard of living? (Use the Rule of 72).

Activity 6 (SO 1-4) Appreciation and depreciation

This is an individual activity

- Describe appreciation and depreciation. Which assets usually appreciate in value and which assets depreciate?
