

PENANG SANGAM HIGH SCHOOL

YEAR 11

ACCOUNTING

WORKSHEET 2

QUESTION 1

Personal Finance

Part A

Personal Budget

i. Mr. Khan works as an electrician at FSC, earning \$940/month. While Mrs. Khan earns \$820/ fortnight as a school teacher. Given below are the estimated expenses for the family for year 2017.

	\$		\$
Water bill/3 months	62	Medical/half year	190
Sky subs/month	50	Hire purchase instalment/monthly	110
Food/week	210	Entertainment/quarter year	100
Clothing/fortnight	105	Credit card payment/ year	130
Home loan repayment/monthly	740		
Vehicle maintenance/yearly	1 900		

Additional information:

- a. Food expenses will increase due to inflation \$20/week.
- b. Credit card payment will decrease by \$10/year due to decrease in credit buying.

Required:

Prepare **annual** budget for Mr. And Mrs. Khan

- ii. State **two Advantages** of preparing family budgets.
- iii. List **2 factors** affecting take home pay (net pay), that affect the budget.
- iv. **Differentiate** between statutory and voluntary deductions.

Part B**Personal Income Tax**

Use the **tax table (extract)** given below to answer the question that follows:

Chargeable Income (\$)	Tax Payable (\$)
0- 30 000	Nil
30 001- 50 000	18% of excess over \$30 000
50 001 – 270 000	3 600 + 20% of excess over \$50 000

i) Mr. Singh is entitled to a salary and other cash benefits of \$130 000 for 2017. He is a Fiji **resident**; calculate **PAYE** payable by Mr. Singh for income year 2017.

ii) Define Pay As Your Earn (PAYE).

iii) Explain **what** Tax Identification Number is and **State the purpose** served by TIN.

iv) **Define** redundancy payment.