**University Budget Exercise**

The object of this exercise is to introduce the concepts of budgeting by producing your own hypothetical university budget for your first term at university.

|  |  |  |  |
| --- | --- | --- | --- |
| Income | Budgeted (£) | Actual (£) | Variance |
| Student Loan |  |  |  |
| Money from Parents & Grants |  |  |  |
| Part-Time Job |  |  |  |
| Part-Time Tutoring |  |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| Expenditure | Budgeted (£) | Actual (£) | Variance |
| University Fees |  |  |  |
| Accommodation |  |  |  |
| Travel |  |  |  |
| Food |  |  |  |
| Clubs & Societies |  |  |  |
| Clothes |  |  |  |
| Drinks & Nights Out |  |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| Overall | Budgeted (£) | Actual (£) | Variance |
| Profit/Loss |  |  |  |

**Stage 1: Drawing up the Budget**

Using the following information, draw up a budget for your income and your expenditure ensuring you are not making a ‘loss’.

**Income**

* All students receive a student loan of £2200
* Grant and parental contribution totalling £800
* You can work either:-
	+ Part-time at Greasy Burgers Bar at £5.00 per hour for 50 hours, or
	+ Tutoring at university at £10.00 per hours for 25 hours

**Expenditure**

* You must pay your term’s university fees of £1000
* Accommodation costs £750 per term
* You can either get around university on bus or by foot:
	+ Going by bus, the cost for a term’s bus pass is £50
	+ Going by foot is free of charge
* Food can be eaten in university, self-catered or from takeaways
	+ University £300
	+ Self-centred £200
	+ Takeaway £500
* The remaining money can be split between the following three areas
	+ Clubs and societies
	+ Clothes
	+ Drinks and nights out

**Stage 2: Recording what actually happened**

Record what actually happened to your budget in the ‘actual’ column based on the following information.

* Your student loan turns up on time and is £2200, and your fees of £1000 and accommodation of £750 are paid automatically by direct debit on time.
* Your grandma gives you an extra £50 on top of your £800 you initially budgeted for.
* Those working at Greasy Burger Bar only get 40 hours work due to overstaffing at the company.
* Those volunteering as tutors at the university gain an extra subsidy from a government tutoring scheme making their wage £12 per hour for 25 hours.
* Bus passes are given 50% reduction when bought through the university.
* Offers and coupons on takeaways reduce the bill to only £400.
* University food bills are as expected.
* Lack of local cheap supermarkets mean self-catering budget is double what is expected.
* All students overspend on their drinks and night out by 10% as they try to gain a ‘full experience’ of university during fresher’s week.
* Clubs and societies fees are zero, so all money budgeted for this is available for other means.
* All students stick to their respective clothing budgets.