

Exercise 3.3

Use the information from the charts in Exercise 3.2 to answer the following questions.

1. Are Tory's total summer expenses larger or smaller than his total summer income?

2. Do a cost/benefit analysis of Tory's short-term expenses. Which expense should he give up and why? What's the opportunity cost to Tory of giving up that expense?

3. How much money does Tory need to save each week in order to have enough money at the end of the summer for the trip and the football cleats?

4. Write a weekly budget (spending/savings plan) that will insure that Tory has enough money to achieve his short-term and long-term economic wants.

		Weekly Income =	
Weekly Expenses for Short-term Wants			
	Total Weekly Expenses =		
Weekly income – Weekly Expense =			
Weekly Savings for Long-Term Wants			