

## Worksheet 4A

**Net monthly cash flow = monthly cash in (income) – monthly cash out (expense)**

Use the following approximations for the problems below:

1 month  $\approx$  4 weeks, 1 year  $\approx$  52 weeks

1. Your regular payments on your new car are \$130 monthly for loan payments, \$200 annually for registration, and \$320 semiannually (every six months) for car insurance. In addition, you set aside \$1000 biannually (every two years) for unexpected repair. Find the average monthly expense.

2. A certain individual has income and expenses as follows:

Income:

- Part-time job: \$1000/month
- Student loan: \$7000/year
- Scholarship: \$8000/year

Expenses:

- Rent: \$600/month
- Groceries: \$70/week
- Tuition and fees: \$7500/year
- Credit card debt: you owe \$3,000 and only pay the monthly interest of 1.5%
- Entertainment: \$100/month
- Phone: \$30/month

Find the net monthly cash flow.

3) Michael drinks three 6-packs of soda each week at a cost of \$4 each, while Anna spends \$800 per year on her textbooks. Complete the sentence: On an annual basis, Michael's soda expenses are \_\_\_\_\_ percent of Anna's textbook expenses.