Learning Outcome 1.12

1.12 Prepare and analyse a budget, determine the financial position, recommend appropriate action and present the analysis in tabular and graphic formats

Summary of Qs asked 2019-2026 on Learning Outcome 1.12

2019 Q1	Graph of Joan's monthly budget: calculate the difference between income and expenditure, state surplus or deficit, and give advice	Surplus / deficit from a graph	6m
2022 Q13	Complete a three-month extract from the Dolan household budget (net cash, opening cash, closing cash)	Net / opening / closing cash	6m
2024 Q18 (a)	Complete Mary Fahey's three-month student budget (irregular and discretionary expenditure, totals, net cash, opening and closing cash)	Prepare a budget	32m
2024 Q18 (b)(ii)	Effect of a monthly loan repayment of €156.45 on net cash (surplus of €15 becomes a deficit of (€141.45))	Revise a budget	3m
2025 Q16 (b)(i)	Outline two reasons why family households should prepare a budget	Reasons for budgeting	6m
2025 Q16 (b)(ii)	Fill in the blank boxes to complete the Evans Family Budget (net cash, opening cash, closing cash, totals)	Net / opening / closing cash	16m
2025 Q16 (b)(iii)	Based on their budget, can the Evans family afford to save €500 per month? Tick and give a reason	Analyse a budget	3m

Key skills required so far answering the JC Exam:

1. Explain reasons why a household would prepare a household budget
2. Calculate net cash, opening cash and closing cash for each month of a budget
3. Prepare a household budget
4. Identify whether a budget has a surplus or deficit and calculate the amount

5. Recommend appropriate action for a household with a budget surplus or deficit
6. Determine the financial position of a household by analysing closing cash figures
7. Revise a budget to reflect a change in income or expenditure and calculate the impact on net cash and closing cash
8. Interpret budget data presented in table and graph format

Page 107 Introduction + Class Activity - True or False

Answers:

1. True - Aoife has no plan for her income; a budget would show her where it goes and help her live within her means.

2. False - earning €2,200 does not mean it can all be spent freely; bills, rent and loan repayments must be planned for first.

3. False - a car loan repayment is a fixed commitment; skipping it damages her credit record and the loan must be repaid with interest.

4. False - bills should be paid before discretionary spending like takeaways and holidays. (reenforce discretionary spending as optional)

5. True - saving a small amount each month builds an emergency fund and is better than saving nothing.

Page 111 Class Activity - Key Skill: Calculate planned expenditure (Logan Household)

1. A = **€1,915** (1,400 + 350 + 165).

B = **€350**.

C = **€1,510** (950 + 350 + 210).

D = **€720** (180 + 165 + 165 + 210).

E = **€6,370** (4,250 + 1,400 + 720).

2. Highest: July €1,915. Lowest: June €1,480.

3. July's subtotal differs because planned groceries rise to €1,400 that month (irregular expenditure varies with usage).

Page 112 Class Activity - Key Skill: Calculate planned expenditure (Kavanagh House)

A = €3,690 (1,760 + 1,705 + 225). **B =** €2,340 (5,560 - 1,720 - 1,500). **C =** €1,600 (4,440 - 2,040 - 800). **D =** €2,750 (225 + 1,500 + 800 + 225).

Page 115 Exam Corner 2025 Q16 (b)(ii) - Evans Family (16m) + Class Activity Murphy Family

Evans key ideas → Net cash = A minus B per month; closing = net + opening; each closing becomes the next opening; the final closing must match the Total column. April net cash is negative: (220) in brackets.

Murphy answers: A = **€500** (4,000 - 3,500). B = **€1,500** (February's closing cash). C = **€1,600** (1,900 + (300)). D = **€16,500** (4,000 + 4,000 + 4,500 + 4,000). E = **€1,600** (matches April's closing cash).

Top Tip: Remember to put negative figures in brackets.

Page 119 Exam Corner 2019 Q1 (6m) + Class Activity Peter

2019 Q1: €2,000 - €2,500 = (€500) deficit. Advice: reduce discretionary expenditure OR increase income (two-pronged).

Peter (May 2027): €3,200 - €2,800 = €400 surplus. Advice: save or invest the surplus / plan a large future spend / repay a loan early, with a reason. (push two-pronged responses)

Page 122 Exam Corner 2024 Q18 (b)(ii) - Mary (3m)
Key ideas → Workings: total expenditure €1,005 + €156.45 = €1,161.45. Net cash = €1,020 - €1,161.45 = (€141.45).
Mary's net cash will decrease, changing from a surplus of €15 to a deficit of (€141.45) if the car loan is included.
Top Tip: Always state the direction of the change and use figures from the budget, eg 'Net cash will decrease from a surplus of €300 to a deficit of (€200)'.

Page 123 Class Activity - Revise a budget (Doyle and Fitzpatrick)
Doyle 1: July net cash improves from (€300) to €200 with the extra €500 income.
Doyle 2: Yes, recommend Emma takes the extra work: net cash turns positive (€200) and closing cash stops worsening; without it, closing cash falls to (€500) by August.
Fitzpatrick 1: Yes, living within their means: net cash is +€300 every month and closing cash grows from €700 to €1,300.
Fitzpatrick 2: June net cash falls from €300 to (€200) with a €500 monthly repayment.
Fitzpatrick 3: Total repayments €1,500 vs total net cash €900: closing cash would fall to 200 / 0 / (200), turning negative in August, so recommend NO (or wait and save first), using these figures.

Page 126 Class Activity - Read And Interpret Budget Graphs
Graph 1 (Murphy): 1. February. 2. €4,800 - €3,500 = (€1,300) deficit. 3. Reduce discretionary expenditure or increase income, explaining how it closes the €1,300 gap.
Graph 2 (Ryan): 1. February, (€400). 2. A negative closing cash means the family plans to spend more than it has available that month - living beyond its means. 3. Reduce discretionary spending in February / increase income / spread a large payment over time, with an explanation.
Top Tip: Always write the Euro sign € in answers, and use figures from the graphs and data provided.