

In the video, Nik owned a gold station wagon that he had named Jess. Unfortunately, Nik did not check with REVS before he bought the car and it was repossessed because there was money owing on it. Nik has also had his credit card cancelled and is slowly paying off his credit card bill. The amount to pay is \$2445.00. This means he will have to save money to pay for any extras in cash.

Nik is working as a junior accountant and earns \$950.00 per fortnight after tax. He decides he needs to buy a scooter until he can afford another car. He has checked quite a few shops and the new scooter will cost him \$887.00.

Nik is wary of getting himself into more debt and prepares a budget. This will make him save the money rather than use credit. Nik sets out his expenses for the week as:

Rent	\$80
Food	\$55
Fares	\$25
Car loan	\$45 (he still owes money on his car)
Credit card	\$75
Entertainment	\$50
Bills	\$20
Misc	\$30
Total:	_____

1. Add Nik's expenses and fill in the total for the week.
2. How much is Nik able to save each week to put toward the new scooter?

3. How many weeks will it take for Nik to pay for the new scooter in cash if he sticks to his budget?

4. DISCUSS: If you were Nik, what would you do in this situation? Would you pay off the credit card before saving for a scooter?

