Name:

Date:

# 3.06 Graded Assignment

## Assignment Questions: Financial Planning

Answer each question fully. Complete sentences are not necessary. The following additional resources can be found under content -> 3.06 Financial Planning assignment and are needed to complete this assignment:

* **Example\_1040EZ**
* **Example\_Instrutions\_1040EZ**
* **Example\_W-2**

Total score: \_\_\_\_ of 27 points

(Score for Question 1: \_\_\_ of 1 point)

1. Describe one short-term goal that you have and at least one thing you will need to do in order to accomplish that goal. (2-4 sentences)

Answer:

Type your answer here.

(Score for Question 2: \_\_\_ of 1 point)

1. Describe one long-term goal that you have and at least two things you will need to do in order to accomplish that goal. (2-4 sentences.)

Answer:

Type your answer here.

(Score for Question 3: \_\_\_ of 2 points)

1. Describe two of your long-term financial goals, and explain why these goals are important to you. List at least three steps that might help you accomplish this goal. (4-6 sentences)

Answer:

Type your answer here.

(Score for Question 4: \_\_\_ of 3 points)

1. Describe an example of a common financial resource, an expense, and a debt. These can be examples from your own life or from other people you know or can imagine. (3-6 sentences)

Answer:

Type your answer here.

(Score for Question 5: \_\_\_ of 1 point)

1. Describe a real or made-up but realistic example of earned income that you or someone you know has received. What type of work was the income from? Was the income in the form of a salary or wages? (1-2 sentences)

Answer:

Type your answer here.

Score for Question 6: \_\_\_ of 1 point)

1. Describe a real or made-up but realistic example of unearned income that you or someone you know has received. (1-2 sentences)

Answer:

Type your answer here.

(Score for Question 7: \_\_\_ of 3 points)

1. Open the Example\_W-2 attachment posted with the 3.06 Financial Planning assignment under content in the course. Use it to answer the questions below.
2. What is the name of Jessie Robinson's employer? (0.5 point)
3. What is the total gross income Jessie received from this employer? (0.5 point) TIP: This is in the box labeled Wages, tips, other compensation.
4. How much did Jessie's employer withhold for federal income tax from Jessie's paycheck? (0.5 point)
5. How much did Jessie's employer withhold for Social Security tax from Jessie's paycheck? (0.5 point)
6. How much did Jessie's employer withhold for Medicare tax from Jessie's paycheck? (0.5 point)
7. Calculate Jessie Robinson’s net pay by subtracting the three amounts withheld for taxes from Jessie's gross pay. (0.5 point)

Answer:

Type your answer here.

1. Open the Example\_1040EZ, and then complete the steps below.
2. Click the File menu, and then Click Save a Copy.
3. If a Save a Copy dialog box appears, click Save a Copy.
4. In the Name: field, type Example\_1040EZ followed by your initials.
5. Click Save.

(Score for Question 9: \_\_\_ of 5 points)

1. Follow the instructions below to fill out the 1040EZ form, using Jessie Robinson's information. Be sure to save your work. (5.0 points for completing the 1040EZ form correctly according to the instructions below) TIP: You can refer to Unit 3, Lesson 2 for help in filling out the form.
2. Fill out the Income section of the 1040EZ form, using the following information:
   * 1. The gross income information from Jessie Robinson's W-2 form. TIP: This is the amount from question 7b above.
     2. This employer was Jessie's only source of income.
     3. Jessie had no taxable interest.
     4. Jessie was not an Alaska resident.
     5. Jessie has no spouse and can't be claimed as a dependent by someone else.
3. Fill out the Payments, Credits, and Tax section of the 1040EZ form, using the following information:
   * 1. The federal income tax withholding information from Jessie's W-2 form. TIP: This is the amount from question 7c above. Social Security tax and Medicare tax are not important to the 1040EZ form.
     2. Jessie can't be claimed as a dependent by anyone else.
     3. Jessie is not claiming the Earned Income Credit.
     4. Jessie is not a member of the U.S. Armed Forces who served in a combat zone.
     5. Use the Example\_Instructions\_1040EZ's tax table on pages 27-35 to find the amount that Jessie Robinson owes. TIP: The Example\_Instructions\_1040EZ is posted with the 3.06 Financial Planning assignment under content in the course.
4. Fill out the Refund section by performing the calculations if the IRS owes Jessie Robinson money. Do not fill out the bank account information section.
5. Fill out the Amount You Owe section if Jessie owes the IRS money.
6. Do not fill out the Third Party Designee Section, the Sign Here section, or the Paid Preparer's Use Only Section.
7. Click the File menu, and then click Save so that your work is saved.

(Score for Question 10: \_\_\_ of 1 point)

1. Describe at least two common types of variable expenses that you expect to have at some point in your life. (1-2 sentences)

Answer:

Type your answer here.

(Score for Question 11: \_\_\_ of 1 point)

1. Describe at least two non-discretionary expenses that you expect to have at some point in your life. (2-4 sentences)

Answer:

Type your answer here.

(Score for Question 12: \_\_\_ of 1 point)

1. Describe at least two discretionary expenses that you expect to have at some point in your life. (2-4 sentences)

Answer:

Type your answer here.

(Score for Question 13: \_\_\_ of 3 points)

1. Imagine you have a budget of $1,000 per month. Make a list of at least three categories you would use that money toward, such as housing, utilities, transportation, food, clothing, entertainment, savings, and so on. Then put a dollar amount next to each item to show how much money you would budget for this item each month. Make sure the total adds up to $1,000. TIP: The cost of each item can be a rough estimate. You don't need to research specific costs of each expense.

Answer:

Type your answer here.

(Score for Question 14: \_\_\_ of 1 point)

1. Describe an advertisement you've seen that uses a desire-based marketing message. What desire does this ad appeal to? TIP: This can be any type of ad, such as a TV commercial, a radio ad, a magazine ad, a billboard, an Internet ad, or another type of ad. (2-4 sentences)

Answer:

Type your answer here.

(Score for Question 15: \_\_\_ of 1 point)

1. Describe an advertisement you've seen that uses a fear-based marketing message. What fear does this ad appeal to? TIP: This can be any type of ad, such as a TV commercial, a radio ad, a magazine ad, a billboard, an Internet ad, or another type of ad. (2-4 sentences)

Answer:

Type your answer here.

(Score for Question 16: \_\_\_ of 1 point)

1. Explain the importance of meeting tax obligations. (2-4 sentences)

Answer:

Type your answer here.

(Score for Question 17: \_\_\_ of 1 point)

1. Describe two consequences of not meeting tax obligations. (2-4 sentences)

Answer:

Type your answer here.

Submit this document as well as the completed 1040EZ to the assignment dropbox for grading.