

# Budgeting Exercise 08



## Employment Budgets

In this exercise provides you are provided with ready-to-go formatted spreadsheets and instructions on how to complete.

This exercise introduces a number of terms associated with employment and the remuneration of workers. The following link will provide some assistance with regard to these terms:

<http://www.leoisaac.com/fin/fin048.htm>

### Your Task

Using the provided spreadsheet, your task is to find the total cost of employment of five positions in scenario A and the five positions in scenario B below. Further instructions for each scenario are given in the shaded areas below.

### Further Advice

It is recommended that you utilise spreadsheet software such as Microsoft Excel to undertake this exercise. If you need assistance with how to create formulas or other spreadsheet techniques you might try to visit the UR:

<http://office.microsoft.com/en-us/excel-help>

But if you do not have Microsoft Excel software you can simply use the tables below to insert your answers worked out with a calculator.

#### Scenario A – Salaries

Calculation of Superannuation and Total Employment Costs

Positions		Annual Salary	Employer's Superannuation Contribution		Total Employment Cost
		\$	%	\$	\$
A		B	C	D	E
Chief Executive	Full-Time	40,000	9%		
Senior Team Coach	Part-Time	26,000	9%		
Participation Development Officer	Full-Time	35,000	9%		
Junior Coaching Director	Part-Time	20,000	9%		
Administration Assistant	Full-Time	21,000	9%		
<b>Total Employment Budget</b>		<b>142,000</b>			

#### What to Do

**Step 1:** Work out superannuation (Column D) by multiplying salaries (Column B) by 9% Superannuation (Column C)

**Step 2:** Work out total cost of employment for each position (Column E)

**Step 3:** Find totals of columns D and E.

Please turn over for Scenario B - Wages

### Scenario B – Wages

Calculation of Superannuation and Total Employment Costs

		Rate / hr	Hrs / Week	Weeks / Year	Gross Wages	Employer's Superannuation Contribution		Total Employment Cost
Positions		\$		%	\$	%	\$	\$
A	B	C	D	E	F	G	H	I
Grounds Caretaker	Part-Time	25.00	20.00	52		9%		
Senior Bartender	Part-Time	26.00	20.00	52		9%		
Bartender	Casual	21.00	10.00	26		9%		
Canteen Salesperson	Casual	18.00	10.00	30		9%		
Administration Assistant	Part-time	23.00	15.00	52		9%		
<b>Total Employment Budget</b>								

#### What to Do

**Step 1:** Work out Gross Wages (Col F) by multiplying Rate (Col C) by Hrs/Wk (Col D) by Week/Yr (Col E)

**Step 2:** Work out Employer's Superannuation (Col H) by multiplying Gross Wages (Col F) by Superannuation % (Col G)

**Step 3:** Work out Total Employment Cost (Col I) by adding Gross Wages (Col F) and Superannuation (Col H)

**Step 4:** Find totals of columns F, H and I.

Fully formatted answer sheets and completely prepared answer spreadsheets can be purchased from LEOISAAC.COM. For \$6.00 you can obtain answer to **ALL** budgeting exercises.