

# Caitlyn's Busking Business

## Key financial ideas

- ★ Earning income involves taking on responsibilities.
- ★ Keeping financial records reduces risks.

## You need

- ★ a calculator or a spreadsheet program

I'm good at juggling and doing acrobatic gymnastics. I'm going to try busking at the Saturday market to earn some income!

Thanks, Auntie Helen. Could I borrow some start-up money from you, please? I'll need to buy a second-hand gym mat and pay for bus fares and the council consent.

Well, I'll come with you to supervise for 3 hours every second Saturday, but you'll have to pay for both our bus fares out of what you make.

## Activity

Caitlyn's record for busking in March and April:

The Busy Busker's Cash Book for March and April

Description	Money received (\$)	Money paid (\$)	Balance (\$)
Loan from Auntie Helen	75.00		75.00
Bus fares to get council permit		5.40	69.60
Cost of council permit		10.00	59.60
Second-hand gym mat		55.00	4.60
Bus fares 9 March		4.60	0.00
Earnings 9 March	28.00		28.00
Loan repayment to Auntie Helen 9 March		23.40	4.60
Bus fares 23 March		4.60	0.00
Earnings 23 March	36.90		36.90
Loan repayment to Auntie Helen 23 March		question 1a	
Bus fares 7 April		4.60	
Earnings 7 April	12.30		
Loan repayment to Auntie Helen 7 April		question 1b	
Bus fares 21 April		4.60	
Earnings 21 April	25.80		
Loan repayment to Auntie Helen 21 April		question 1c	question 2c
Total money received			
Total money paid			
Balance			

1 Caitlyn wants to repay the loan from Auntie Helen as quickly as possible, so she only keeps back enough money to pay the next lot of bus fares each time. How much money does Caitlyn repay on:

- a. 23 March?      b. 7 April?      c. 21 April?

2 Excluding Auntie Helen's loan and its repayment:

- a. What was Caitlyn's total income (earnings) for the March–April period?  
b. What were Caitlyn's total expenses (excluding loan repayments) for the March–April period?  
c. What is the balance on 21 April?  
d. Had Caitlyn made a profit or a loss by the end of April?

3 a. Caitlyn earned \$36.90 on the 23rd of March. Why do you think she earned only \$12.30 in donations on the 7th of April?

- b. What was Caitlyn's average amount of earnings per busking session for the March–April period?



I need to divide my total earnings by the number of times I busked.

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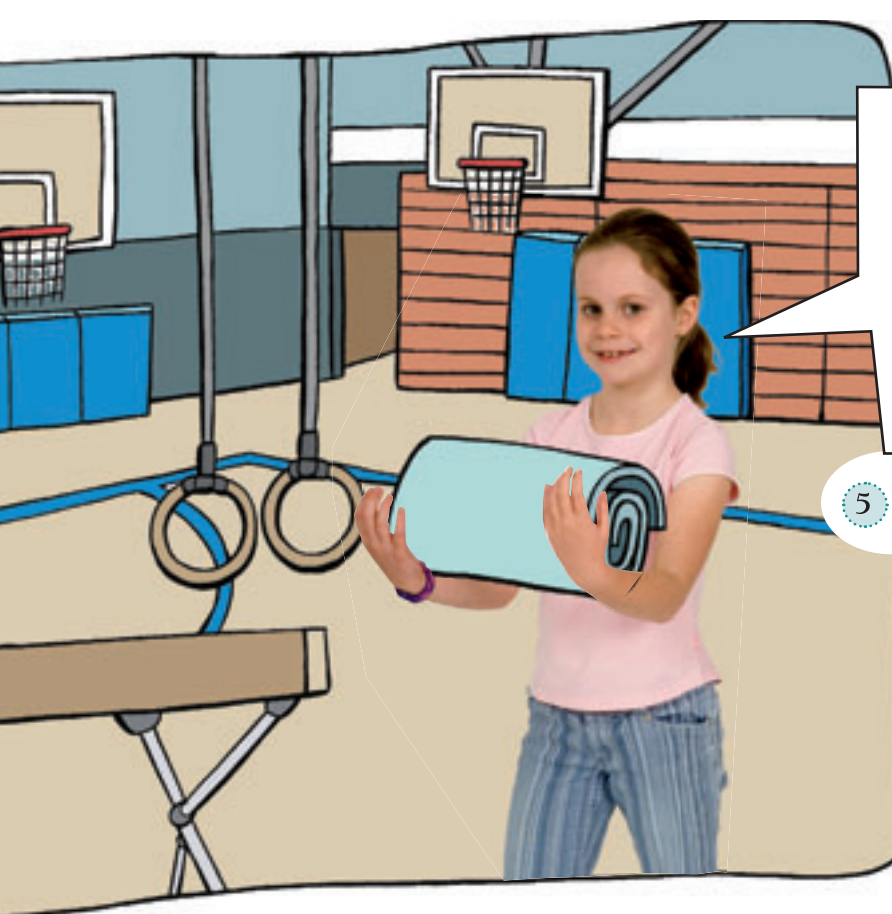
Projected profit is earnings minus costs.

- a. What might Caitlyn's projected profit be for two Saturdays in May if she earned the same average amount each time as she did for March–April?

I've paid off the loan to Auntie Helen, but I still need to pay \$4.60 a time in bus fares.

- b. If Caitlyn busks for 3 hours a day on those two Saturdays, what might her hourly rate be after her costs?  
c. If Caitlyn were to busk for 6 hours a month for 12 months, how much profit might she make altogether?

It's only an estimate, but I could multiply my possible May profit by 10 and add that to my March–April profit.



I'm not sure I want to busk during the winter! I think I could manage May, plus 3 more months later this year. I could drop my gymnastics lessons for a term and ask Dad if I could put the \$150 fees towards my holiday challenge.

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- a. How much profit might Caitlyn make if she busked for just 6 months?
- b. What are the positive and negative consequences of:
  - i. busking for 6 months instead of for a year?
  - ii. dropping gymnastics lessons for a term and banking the fees instead?

- 6 Caitlyn gets \$5 pocket money a week for doing extra chores. How much would she have if she saved half of it for a year?
- 7 Caitlyn's goal is to save \$45 times her age ( $\$45 \times 10$ ) to go into the family holiday savings account, plus some spending money.

I want to predict how much I will save so that I know if I have to earn more or not.



#### My Predicted Savings over a Year

Busking for 6 months	(Use the answer to question 5a.)
Saving gymnastics fees for a term	\$150
Saving half my pocket money	(Use the answer to question 6.)
Total	

- a. Work out how much money Caitlyn expects to save.
- b. How much spending money will Caitlyn have if her predictions are accurate?
- c. Do you think this is enough spending money for a week's holiday? What would you do if you were Caitlyn?

**Reflective question** ★ What risks did Caitlyn face in setting up her busking business?