

Finance Project

Finance Project Harvard Case Solution & Analysis

TheCaseSolutions.com

Conclusion

Before I started this project, I expected to have tons of money left over so I started purchasing some of the most expensive items. Since I realized I wouldn't have money, I changed my spending plan. When purchasing items, I decided to go with things that I could afford, even if they weren't the nicest or newest. After all my purchases and monthly payments, I have \$57.01 left over which I will be putting in savings. This project has taught me about all the different taxes I will have to pay and also to be smart with my money. If I were to do this project over, I would buy a different car just so I could have more money left over. This project has taught me that I need to plan out my monthly budget in order to maximize the value of my money. It also taught me things that I couldn't do when I first start off, like take a vacation. Overall, I have learned how expensive the cost of living is and how much I take for granted what my parents provide for me.

All About Me

I recently just got a job at the Rockdale County CASA therefore I had to move to be closer to work. I'm the only income in my household because I live by myself. Every month, I put \$57.01 into savings.



Vacation

I will be going to stay with my aunt in Tampa, Florida for my vacation therefore I just have to pay for gas to get there and back. I plan on staying down there for 4 days and while there, I will be at the beach everyday. I put enough money in my budget to eat out once and all the other days I will be eating at my aunt's house.



450+450= 900 miles total
900/ 27= 33.3 gallons used
33.3* 2.312= \$77.07

Occupation



I will be working as a social worker with my bachelor's degree. I will work with people to help them solve and cope with their problems incurred in everyday life. My yearly income is \$44,514 and my monthly net income is \$2,596.65.

44,514/12= 3709.5* 3= 1112.85
3709.5-1112.85= 2596.65

Utility



Gas: House runs on electricity/ not needed
Electricity: \$55.13/ mo
Water: \$35/ mo
Sewage: \$15/ mo
Internet: \$40.89/ mo
Cell phone: \$50/ mo
Netflix: \$8/ mo



Fast
Comedian, J. B. Brink
J. B. Brink is a comedian
and actor. He has been
on the TV show "The
Mentalist" and has
written several books.
He is also a producer
and director.

Taxes

Federal Taxes:
Gross Salary- \$44,514
44,514- 29,050= \$15,464
15,464 * 0.25= \$3,866
4,000 + 3,866= \$7,866

State Taxes: Gross Salary: \$44,514
44,514- 7,000= \$37,514
37,514 * .06= \$2,250.84
2,250.84+ 230= \$2,480.84



W2
W2 Form for the year 2014
The W2 form is used to
report the wages and other
income that an employer
pays to an employee.
It is also used to report
the taxes that the employer
withholds from the wages.
The W2 form is used by
the employee to file their
tax return.



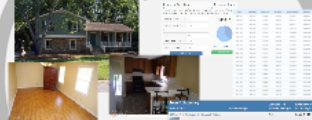
Village Rate
Village Rate for the year 2014
The Village Rate is the
rate that the Village pays
for the services that it
provides. It is used to
determine the amount of
the Village's budget that
is used for the services.
The Village Rate is used
by the Village to set the
prices for the services that
it provides.



FICA
FICA is a tax that is
paid by the employee and
the employer. It is used
to fund Social Security
and Medicare. The FICA
rate is 7.65% of the
employee's wages. The
employer pays 7.65% of
the employee's wages.
The FICA rate is used
by the employer to
determine the amount of
the FICA tax that they
withhold from the wages.

House

923 Rambling Rose Ct
NW, Conyers, GA 30012



\$99,000
5% Down Payment: 99,000* .05= \$4,950
Amount Financed: 99,000- 4,950= \$94,050
Interest Rate: 3.43%
Loan Type: FHA/ Government
Monthly Mortgage: \$418.66
\$418.66* 12= \$5,023.92
Monthly Income



House Maintenance
House Maintenance is the
cost of keeping a house in
good condition. It includes
the cost of repairs, painting,
and other work that is
needed to keep the house
looking good. House
Maintenance is an important
part of owning a house.
It is also a good way to
increase the value of a
house.

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Car

2014 Ford Focus for \$10,999



I chose this car because it had good mileage, 18,542 miles, for a good price. The car also features park assistance, SiriusXM radio, and a back up camera.

Car Insurance
\$128.28/ mo
esurance



Home Insurance
\$94/ month
esurance

enough money in my
once and all the other
g at my aunt's house.



900 miles total
3.3 gallons used
312= \$77.07

into savings.



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Taxes

al Taxes:

Gross Salary: \$44,514



I will be v
bachelor
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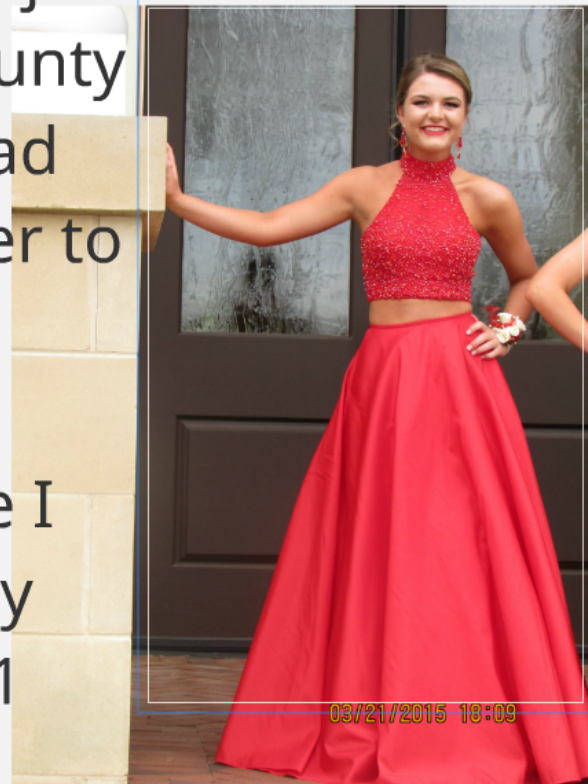
C
2014 Ford Fo



I chose this car because

All About Me

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Heal

[BCBSHP Bronze
Preferred X HMO Plan
for HSA](#)

☆ [Add to Favorites](#)
✖ Email, compare, print

Lif

Mortgage Life

When you need financial help to pay for your mortgage, life insurance can help. The cost of life insurance is low, and the benefits are high. Find out more about life insurance and how it can help you pay for your mortgage.

Health Insurance

[BCBSHP Bronze
Pathway X HMO 0%
for HSA](#)



Deductible (s): \$6,300
Primary Care Visit to Treat an Injury or
Illness: You pay 0% [More Details](#)
Out of Pocket Max: \$6,300 [More Details](#)
[View the drug list for this plan \(PDF\)](#)

\$112.00 / mo
Tax credit applied

☆ [Add to Favorites](#)

☐ Email, compare, print

Select

\$112.00/ mo

Life Insurance

Mortgage Life

Premiums are anticipated to stay level for 15 or 30 years.
After the first five years, the death benefit, which is
intended to behave similar to your mortgage, decreases
over the life of the policy.

☐ Compare Policy

Term Length

- ☒ 15 Years
☐ 30 Years

\$ 12.92 /mo

\$ 148.50 annually

Select & Continue

\$12.92/ mo

Occupation



I will be working as a social worker with my bachelor's degree. I will work with people to help them solve and cope with their problems incurred in everyday life. My yearly income is \$44,514 and my monthly net income is \$2,596.65.

$$44,514/12 = 3709.5 * .3 = 1112.85$$
$$3709.5 - 1112.85 = 2,596.65$$

Car

2014 Ford Focus for \$10,999

Used 2014 Ford Focus SE Sedan

Mileage: 18,542

Save car Compare



DATE	PAYMENT	PRINCIPAL	INTEREST	TOTAL PAYMENT	BALANCE
Apr 2015	\$197.59	\$172.74	\$24.85	\$197.59	\$6,758.79
May 2015	\$197.59	\$173.03	\$24.56	\$197.59	\$6,585.76
Jun 2015	\$197.59	\$173.33	\$24.26	\$197.59	\$6,412.43
Jul 2015	\$197.59	\$173.63	\$23.96	\$197.59	\$6,238.80
Aug 2015	\$197.59	\$173.93	\$23.66	\$197.59	\$6,064.87
Sep 2015	\$197.59	\$174.23	\$23.36	\$197.59	\$5,890.64
Oct 2015	\$197.59	\$174.53	\$23.06	\$197.59	\$5,716.11
Nov 2015	\$197.59	\$174.83	\$22.76	\$197.59	\$5,541.28
Dec 2015	\$197.59	\$175.13	\$22.46	\$197.59	\$5,366.15
Jan 2016	\$197.59	\$175.43	\$22.16	\$197.59	\$5,190.72
Feb 2016	\$197.59	\$175.73	\$21.86	\$197.59	\$5,015.00
Mar 2016	\$197.59	\$176.03	\$21.56	\$197.59	\$4,839.00
Apr 2016	\$197.59	\$176.33	\$21.26	\$197.59	\$4,662.67
May 2016	\$197.59	\$176.63	\$20.96	\$197.59	\$4,486.04
Jun 2016	\$197.59	\$176.93	\$20.66	\$197.59	\$4,309.11
Jul 2016	\$197.59	\$177.23	\$20.36	\$197.59	\$4,131.88
Aug 2016	\$197.59	\$177.53	\$20.06	\$197.59	\$3,954.35
Sep 2016	\$197.59	\$177.83	\$19.76	\$197.59	\$3,776.52
Oct 2016	\$197.59	\$178.13	\$19.46	\$197.59	\$3,598.39
Nov 2016	\$197.59	\$178.43	\$19.16	\$197.59	\$3,419.96
Dec 2016	\$197.59	\$178.73	\$18.86	\$197.59	\$3,241.23

Auto Loan Calculator

Use this car payment calculator to estimate monthly payments on your new or used auto loan. Simply enter the loan amount, term and interest rate to calculate your monthly auto loan payments. This calculator will show you how much you can afford to pay for your car.

Auto loan amount: \$10,999

Auto loan term in years: 5.00

Interest rate per year: 2.99%

Auto loan start date: 03/16/2016



I chose this car because it had good mileage, 18,542 miles, for a good price. The car also features park assistance, SiriusXM radio, and a back up camera.

Sell rate: \$10,999

Interest Rate: 2.99

Loan Term: 60 months

Monthly payment: \$197.59 (\$197.59/ \$2,596.65= 0.0760941982939557 or 7.609% of Net Monthly Income)


Car Insurance

\$128.28/ m

INTEREST	TOTAL INTEREST	BALANCE
\$208.83	\$208.83	\$93,891.17

CUS FOR \$10,999

Compare

DATE	PAYMENT	PRINCIPAL	INTEREST	TOTAL INTEREST	BALANCE
April	60 Month Used Car				
May	Lender	APR	Rate	Info	Learn more
June	 PENFED CREDIT UNION Membership Required	2.99% Mon Mar 2	2.99% Relationship discount included	(x, ap Fees and conditions	Next
July					
Aug.					
Lower rate available when you use our Car Buying Service					
Sept. 2015	\$197.59	\$172.74	\$24.85	\$182.90	\$ 9,798.78
Oct. 2015	\$197.59	\$172.74	\$24.85	\$182.90	\$ 9,798.78
Nov. 2015	\$197.59	\$173.17	\$24.42	\$207.31	\$ 9,625.60
Dec. 2015	\$197.59	\$173.60	\$23.98	\$231.30	\$ 9,452.00
Jan. 2016	\$197.59	\$174.04	\$23.55	\$254.85	\$ 9,277.96
Feb. 2016	\$197.59	\$174.47	\$23.12	\$277.97	\$ 9,103.49
Mar. 2016	\$197.59	\$174.91	\$22.68	\$300.65	\$ 8,928.58
April 2016	\$197.59	\$175.34	\$22.25		
May 2016	\$197.59	\$175.78	\$21.81		
June 2016	\$197.59	\$176.22	\$21.37		
July 2016	\$197.59	\$176.66	\$20.93		
Aug. 2016	\$197.59	\$177.10	\$20.49		
Sept. 2016	\$197.59	\$177.54	\$20.05		
Oct. 2016	\$197.59	\$177.98	\$19.61		
Nov. 2016	\$197.59	\$178.42	\$19.17		
Dec. 2016	\$197.59	\$178.87	\$18.72		

Auto Loan Calculator

Use this car payment calculator to estimate monthly payments on your new car. Enter the loan amount, term and interest rate to calculate your monthly payment. This will help you determine how much car you can afford.

Auto loan amount	\$	10,999
Auto loan term in years		5.000
or		
Term in months		60

Auto Loan Calculator

Use this car payment calculator to estimate monthly payments on your next new or used auto loan. Simply enter the loan amount, term and interest rate to calculate your monthly auto loan payments. This calculator will help you determine how much car you can afford.

Auto loan amount	\$	10,999
Auto loan term in years		5.000
or		
Term in months		60
Interest rate per year	%	2.990
TODAY'S RATES		
Auto loan start date		03 Mar 2015

Get auto app Get widget

\$197.59
MONTHLY PAYMENTS



Interest Principal

e it had good mileage

Used 2014 Ford Focus SE Sedan

Mileage: 18,542


 Save car

 Compare



▼ CLOSE



View the Free CARFAX Report for this Ford 

DATE PA

April 60 Month

May Lender

June

July

Aug.

Sept. 2015 Lower rate a

Oct. 2015 \$

Nov. 2015 \$

Dec. 2015 \$

Jan. 2016 \$

Feb. 2016 \$

Mar. 2016 \$

April 2016 \$

May 2016 \$

June 2016 \$

July 2016 \$

Aug. 2016 \$

Sept. 2016 \$

Oct. 2016 \$

Nov. 2016 \$

Dec. 2016 \$

