

Name _____

Cracking the Code: Understanding Fixed Expenses in Your Budget

Multiple Choice Questions

1. What are fixed expenses in a budget?
 - a) Expenses that change every month
 - b) Regular, predictable costs with consistent monthly payments
 - c) Money set aside for savings
 - d) Gifts received on special occasions

2. Which of the following is NOT an example of a fixed expense?
 - a) Rent or mortgage
 - b) Utility bills
 - c) Groceries
 - d) Insurance premiums

3. How can you account for fixed expenses in your budget?
 - a) Ignore them as they stay the same every month
 - b) Set up automatic payments and forget about them
 - c) List them, determine the monthly amount, and prioritize them in your budget
 - d) Pay them whenever you have extra money

4. Why are fixed expenses considered a top priority in a budget?
 - a) Because they're optional expenses
 - b) Because they're unpredictable
 - c) Because they're non-negotiable and must be paid consistently
 - d) Because they change every month

5. What is the purpose of having an emergency fund in your budget?
 - a) To cover regular expenses
 - b) To save for a vacation
 - c) To handle unexpected costs or emergencies
 - d) To spend on entertainment

