



Simulation #2

Delivery: The simulation will require you to submit an Excel sheet with your budget and a written assignment, varying in length depending on the level of detail you provide for each deliverable (roughly 2-3 pages). You will also be creating a budget, which must also be submitted on the due date.

Description: You are about to graduate from high school and choosing a career path right now, but have you thought about how are you going to finance that path or journey? Although you have a few months or years before being financially independent, it is imperative to start thinking now about the potential financial responsibilities that will you have to take care of along the way. This simulation provides you an opportunity to build a budget and be aware of your financial responsibilities. Preparing yourself to enter your career years and position yourself for the best chance of success:

- 1) Identifying your financial goals
- 2) Determine your sources of savings
- 3) Determine your sources of investments
- 4) Planning your budget

By breaking down each step in the process and providing justifications of your choices, you are learning about your personal preferences and possible changes you might decide to make in the future. This assignment will provide you templates and resources that are applicable across all industries for your future endeavours.

Part 1 – Identifying Your Financial Goals

The first step in the process of planning your finances is to think of your goals and your plan on how you will get there. It is essentially your vision.

1. Think of your short-term and long-term goals – discuss your choices (250-300 words)
 - a. Evaluate your **needs** vs your **wants**
 - b. For each goal, determine if it passes the SMART analysis: **S**pecific, **M**easurable, **A**ttainable, **R**elevant, and **T**ime-bound.
 - c. Indicate how you think these financial goals will be funded. (I.e. Part-time job, allowance, loans, etc.)
 - d. Explain in your own words how you would define a need vs a want, compare the two by looking at your present goals vs. your goals 5 years in the future.
2. Identify your resources (150-200 words)
 - a. Identify the sources of funding you will need in order to achieve your financial goals. (DO NOT say all your goals are funded by your parents through allowances!)
 - b. Evaluate your choices: are they realistic?

Part 2 – Planning your budget (Excel sheet)

Now that you are aware of your financial goals, savings and investing options, the fourth step in the process of planning your finances is how you are going to budget. This is critical for maintaining good financial health and it is the most important part.

1. Plan your budget – discuss your choice
 - a. Identify your potential monthly NET income (income after taxes) and evaluate how you came up to that number.
 - b. Include any data supporting your monthly income at the end of your written assignment (investing returns, monthly income of the career you choose, etc.)
 - c. Identify all your potential fixed expenses.
 - d. Identify all your potential variable expenses.
 - e. Evaluate your expenses; set your spending priorities from most important to least important.
1. Set up your savings budget
 - a. For every sinking fund, evaluate how much you need to save and by when.
 - b. Determine how much you will need to put aside every month to attain your savings goals.
 - c. Evaluate your choices.
1. Evaluate your budget plan

- a. Are you in a surplus or in a deficit?
- b. If you are in a surplus, how can you allocate your additional leftover surplus?
- c. If you are in a deficit, explain what you can undertake to be in a positive balance.

General Guidelines

Your assignment will be a mix of written work and short tables and graphs, keep your information organized. Complete each part in order, each step brings you along the process and some of the information from one part may carry over to the next. It is imperative to **consider a realistic situation in 2025** completing this assignment - utilize our first workshop to determine your situation. All the information required to complete this assignment is provided through the powerpoint and the links provided directly in the assignment with the associated question.

Final Tip: Have fun with this assignment and be creative! It may seem like a lot of tasks to complete, but they are all critical in achieving your financial goals. The systematic approach you are learning through this process will be integral when it's actually time for you to start planning your budget.

Grading Rubric

	Identifying your financial goals (15%)	/25
Q1	Both tables are filled out with at least 2 short-term and long-term goals	/8
Q2	Explanation in your own words how you would define a need vs a want	/6
Q3	Critical evaluation of funding sources - are they realistic?	/6
Q4	Provide a complete SMART analysis of one long-term goal	/5
	Determine your sources of savings (15%)	/15

Q5	Discuss the advantages of a TFSA.	/3
Q6	Discuss the advantages of an RRSP.	/3
Q7	Identify the differences between a regular savings account, a TFSA and an RRSP.	/6
Q8	Evaluate which savings option best applies to the individuals in their current situation	/3
	Determine your sources of investments (15%)	/20
Q9	Determine your investor profile.	/5
Q10	Examine which types of investments are best according to your risk tolerance.	/5
Q11	Choose your investment options based on your investor profile and discuss the advantages and disadvantages of each	/10
	Planning your budget (50%)	/40
Q12	Identification and justification of net income based on sources of funding realistically available given their situation in 2025 (10 points) Analysis of fixed & variable expenses, setting priorities for funding (10 points)	/20
Q13	Minimum two savings goals provided and table filled out accordingly (6 points) Thorough justification of the feasibility of funding these savings goals based on their most likely situation in 2025 (4 points)	/10
Q14	Addresses whether they are in a surplus or a deficit. Provides good rationale for how to utilize surplus funds or how to reallocate current funds when in a deficit. (Be creative - there is no concrete answer)	/10
	Format (5%)	/5
	Paper is well-organized	/1
	Word count requirements were all met	/1
	All lists/tables/graphs were completed properly	/1
	Excel budget filled out correctly	/1
	All external sources are referenced when used	/1