

# Planning Budget for a European Vacation

You hope to take a three-week trip to Europe with a friend. Your budget for the trip is \$5,000. Before you buy your plane ticket, you need to determine how much you can spend on airfare, accommodations, food, entertainment, and transportation. You may *want* to stay in first-class hotels, but your \$5,000 budget may not extend that far. What kind of trip can you really afford? For this project you need to Set Up the Budget and then Calculate Options. The completed budget appears in Figure C-19 on page 69.

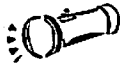
Activity:

## Set Up the Budget

Steps:

1. Open a blank workbook in Excel, apply the Trek theme, type Budget, press [Enter], click cell A1, click the Home tab, click Cell Styles in the Styles group, then click Title
2. Enter and format the labels and values as shown in Figure C-17, then save the workbook as European Trip Budget in the location where you store your Data Files
3. Select cells B3:E3, click the Orientation button in the Alignment group, then click Rotate Text Up
4. Click cell E4, enter the formula  $=C4*D4$ , press [Enter], then copy the formula through cell E9
5. Click cell E10, then double-click the Sum button  $\Sigma$  in the Editing group to calculate the subtotal  
*The expense subtotal is \$7,345.00.*
6. Click cell E11, calculate a 10% contingency on the subtotal, then press [Enter]  
*The value in the Contingency cell is \$734.50.*
7. Enter a formula in cell E12 to add the subtotal to the contingency to determine your total expenses  
*Your total expenses in cell E12 are \$8,079.50. You are \$3,079.50 over your budget of \$5,000.*
8. As shown in Figure C-18, change the font size to 14 pt for cells A3:E12, then adjust column widths as needed
9. Save the workbook

### Trouble



The required formula is  $=E10*.1$ .

FIGURE C-17: Worksheet setup

	A	B	C	D	E	F	G	H
1	<b>Budget</b>							
2	<b>Three-Week Trip to Europe</b>							
3	<b>Expense</b>	<b>Unit</b>	<b>Unit Cost</b>	<b>Number</b>	<b>Total</b>			
4	Airfare from Seattle	Ticket	\$ 1,100.00	1				
5	Accommodation	Night	\$ 120.00	21				
6	Food	Day	\$ 75.00	21				
7	Train Pass	Ticket	\$ 1,100.00	1				
8	Sightseeing	Day	\$ 30.00	21				
9	Shopping	Day	\$ 20.00	21				
10			<b>Expense Subtotal</b>					
11			<b>Contingency: 10%</b>					
12			<b>Total Expenses</b>					
13								
14								
15								
16								
17								
18								

Merge text across A1:E1, then apply Title style

Apply Accounting Number Format to values in column C

Merge text across A2:E2, then apply Heading 1 style

Bold and center labels in row 3

Bold and right-align labels in cells D10:D12

FIGURE C-18: Worksheet with expenses

	A	B	C	D	E	F	G	H
1	<b>Budget</b>							
2	<b>Three-Week Trip to Europe</b>							
3	<b>Expense</b>	<b>Unit</b>	<b>Unit Cost</b>	<b>Number</b>	<b>Total</b>			
4	Airfare from Seattle	Ticket	\$ 1,100.00	1	\$ 1,100.00			
5	Accommodation	Night	\$ 120.00	21	\$ 2,520.00			
6	Food	Day	\$ 75.00	21	\$ 1,575.00			
7	Train Pass	Ticket	\$ 1,100.00	1	\$ 1,100.00			
8	Sightseeing	Day	\$ 30.00	21	\$ 630.00			
9	Shopping	Day	\$ 20.00	21	\$ 420.00			
10			<b>Expense Subtotal</b>		<b>\$ 7,345.00</b>			
11			<b>Contingency: 10%</b>		<b>\$ 734.50</b>			
12			<b>Total Expenses</b>		<b>\$ 8,079.50</b>			
13								
14								
15								
16								
17								
18								

Activity:

## Calculate Options

You need to reduce the trip cost to \$5,000. You decide to perform a variety of calculations to answer several “What if?” questions. As you enter data to answer the “What if?” questions in Steps 2 through 7, check the value in the Total Expenses cell against the total expenses value provided in the text. You will need to think carefully about the calculations required. For some steps, you need to insert new rows. The completed budget is shown in Figure C-19.

Steps:


1. Rename the Sheet1 tab Budget 1 and rename the Sheet2 tab Budget 2, return to the Budget 1 sheet, click the Select All button in the upper-left corner of the worksheet frame, click the Copy button  in the Clipboard group, click the Budget 2 tab, then click the Paste button in the Clipboard group  
*Now you have two copies of the budget—your original copy and a new copy that you can modify by changing values to calculate responses to “What if?” questions.*
2. Perform the calculation required to answer the question “What if you reduce your sightseeing allowance to \$20 a day?”  
*The total for sightseeing is \$420, and the total expenses are now \$7,848.50.*
3. What if you do not buy a train pass, but instead lease a car for two weeks at a cost of \$735 per week and share the cost of the car lease with a friend?  
*Total expenses are now \$7,447. Remember to divide the weekly car lease cost by two because you are sharing the expense with a friend.*
4. What if you stay at youth hostels for 12 days (\$30/night for one), stay in small pensions for six days (\$75.00/night for one), and then stay in moderately priced hotels for the remaining three days (\$200/night for two)?  
*You will need to insert two new rows for the various accommodation options. See Figure C-19 for the three labels that replace the Accommodations label. You will also need to copy the formula required to calculate the Youth Hostel, Pension, and Hotel expenses. You may need to adjust the cell references in the formula used to find the expense subtotal. The total expenses are now \$5,896.00. Getting there!*
5. What if you buy and cook your own food on the days that you stay in youth hostels, thereby reducing your food costs on those days to \$20 a day?  
*The total expenses are now \$5,170.00.*
6. If you lease a car, you will split gas costs with your friend during the two weeks that you have the car. You plan to drive approximately 2,000 kilometers; the car you plan to rent gets 13 kilometers to the liter; gas costs approximately \$1.50 a liter  
*The total expenses are now \$5,296.92.*
7. What if you book a charter flight that costs \$200 less than the current airfare?  
*Total expenses are now \$5,076.92. You are still \$76.92 over your budget of \$5,000. You decide that you can just afford to pay the shortfall, but realize that you will need to stick very carefully to your budget.*
8. Click cell A1, fill it with Orange, Accent 6, Lighter 40%, then add border lines to cells as shown in Figure C-19
9. View the worksheet in Print Preview, center it horizontally (click the Margins tab in the Page Setup dialog box), add the header text shown in Figure C-19, save the workbook, print a copy, then close the workbook

FIGURE C-19: Completed European Trip Budget

Excel

European Trip Budget

Your Name

**Budget**

**Three-Week Trip to Europe**

Expense	Unit	Unit Cost	Number	Total
Airfare from Seattle	Ticket	\$ 900.00	1	\$ 900.00
Accommodation: Youth Hostels	Night	\$ 30.00	12	\$ 360.00
Accommodation: Pensions	Night	\$ 75.00	6	\$ 450.00
Accommodation: Hotels	Night	\$ 100.00	3	\$ 300.00
Food	Day	\$ 75.00	9	\$ 675.00
Food: Hostels	Day	\$ 20.00	12	\$ 240.00
Car Lease	Week	\$ 367.50	2	\$ 735.00
Gas	Kilometer	\$ 1.50	\$ 76.92	\$ 115.38
Sightseeing	Day	\$ 20.00	21	\$ 420.00
Shopping	Day	\$ 20.00	21	\$ 420.00
<b>Expense Subtotal</b>				<b>\$ 4,615.38</b>
<b>Contingency: 10%</b>				<b>\$ 461.54</b>
<b>Total Expenses</b>				<b>\$ 5,076.92</b>