

## Review for Test (Sheet #

$$\begin{aligned} 1. \quad I &= Prt \\ &= (7200)(0.0623)(5) \\ &= \$2242.80 \end{aligned}$$

$$\begin{aligned} 2. \quad A &= P \left( 1 + \frac{r}{n} \right)^{nt} \\ &= 5600 \left( 1 + \frac{0.0275}{12} \right)^{(12)(9)} \\ &= 5600 \left( 1.00229 \right)^{108} \\ &= 5600 (1.280) \\ &= \$7170.56 \end{aligned}$$

$$\begin{aligned} 3. \quad I &= Prt \\ &= (6500)(0.07)\left(\frac{3}{12}\right) \\ &= \$113.75 \end{aligned}$$

$$\begin{aligned} 4. \quad A &= P\left(1 + \frac{r}{n}\right)^{nt} \\ &= 2375\left(1 + \frac{0.033}{2}\right)^{(2)(10)} \\ &= 2375(1.0165)^{20} \\ &= 2375(1.1778) \\ &= \$2797.29 \end{aligned}$$

$$\begin{aligned} 5. \quad A &= P \left( 1 + \frac{r}{n} \right)^{nt} \\ &= 950 \left( 1 + \frac{0.039}{2 \cdot 6} \right)^{(26)(6)} \\ &= 950 (1.0015)^{156} \\ &= 950 (1.2634) \\ &= \$1200.25 \end{aligned}$$

Part 2.

$$\begin{aligned} 1. \quad I &= Prt \\ 102 &= P(0.032)(5) \\ 102 &= P(0.16) \\ \$12750 &= P \end{aligned}$$

$$\begin{aligned} 1. \quad I &= Prt \\ 102 &= P(0.032)(5) \\ 102 &= P(0.16) \\ \$637.50 &= P \end{aligned}$$

$$\begin{aligned} 2. \quad I &= Prt \\ 63 &= P(0.058)(7) \\ 63 &= P(0.406) \\ \$155.17 &= P \end{aligned}$$

$$\begin{aligned} 3. \quad I &= Prt \\ 256 &= 12000(r)(6) \\ 256 &= 72000r \\ 0.00356 &= r \\ r &= 0.356\% \end{aligned}$$



4.

$$I = Prt$$

$$112 = 8250 (r) (3)$$

$$112 = 24750 r$$

$$0.004525 = r$$

$$r = 0.45\%$$

5.

$$I = Prt$$

$$160 = 9300 (0.0395) t$$

$$160 = 367.35 t$$

$$0.4355 = t$$

Part 3

a)  $I = Prt$  ( Minimum )

$$= 511 (0.17) (21)$$

## Part 3

$$\begin{aligned}
 \text{a) } I &= Prt \\
 &= 511 (0.17) \left(\frac{21}{365}\right) \\
 &= 4.998 \\
 &= \$5.00
 \end{aligned}$$

$$\begin{aligned}
 \text{b) } I &= Prt \\
 &= 762 (0.1995) \left(\frac{29}{365}\right) \\
 &= \$12.08
 \end{aligned}$$

$$\begin{aligned}
 \text{c) } I &= Prt \\
 &= (93) (0.1775) \left(\frac{14}{365}\right) \\
 &= \$0.63
 \end{aligned}$$

Minimum Pa

$$\begin{aligned}
 &\$511 \times 0.05 \\
 &25.55
 \end{aligned}$$

$$\begin{aligned}
 &\$762 \times 0.05 \\
 &\$38.10
 \end{aligned}$$

$$\begin{aligned}
 &\$93 \times 0.05 \\
 &\$4.65
 \end{aligned}$$

\$10

on Date	Posting Date	Activity description	Amount (\$)
STATEMENT BALANCE			\$421.57
	Nov. 03	PAYMENT - THANK YOU	(\$421.57)
	Nov. 07	SHOES	\$55.00
	Nov. 21	Burger King	\$10.79
	Nov. 27	Irving Oil	\$50.38
Information			Calculating your balance
ayment		Previous balance	\$
ie date	Dec. 10	Payments & credits	\$
	\$4,000.00	Purchases	\$
redit		Cash advances	\$
erest rate	19.50%	Interest	\$
		Other fees	\$
		New Balance	\$

Interest rate is: 19.5%  
 What is the previous balance? \$ 421.57  
 How much was her payment? \$ 421.57  
 How much does she still owe after her payment? \$ 0  
 What did she purchase in November? Shoes, Burger King (Food), Irving Oil (Gas/Oil?)  
 Calculate the new balance. \$ 116.17  
 What will her minimum payment be? \$ 5.81 or 10.00  
 What is her available credit? \$ 3083.83  
 If she pays the balance on December 9th, how much interest will she have to pay?  
No Interest



3.00	84.89	42.98	29.08	22.13	17.37
3.25	84.81	43.09	29.19	22.24	18.08
5.00	85.61	43.87	29.97	23.03	18.87
5.25	85.72	43.98	30.08	23.14	18.99
5.50	85.84	44.10	30.20	23.26	19.10
5.75	85.95	44.21	30.31	23.37	19.22
6.00	86.07	44.32	30.42	23.49	19.33
6.25	86.18	44.43	30.54	23.60	19.45
6.50	86.30	44.55	30.65	23.71	19.57
6.75	86.41	44.66	30.76	23.83	19.68
7.00	86.53	44.77	30.88	23.95	19.80

Sally borrowed \$3500 at 6.25% interest for 5 years.

- a) What is her monthly payment?
- b) How much does she pay back to the bank in total?
- c) What is the finance charge?

$$\frac{3500}{1000} = 3.5$$

- a)  $19.45 \times 3.5 = \$68.08$
- b)  $60 \times 68.08 = 4084.80$
- c)  $4084.80 - 3500 = \$584.80$

1. Randy has invested \$3000 in a savings account which earns 5.21% interest compounded quarterly.



1. Randy has invested \$3000 in a savings account which earns 5.21% interest per annum, compounded quarterly.

a) How much will his investment be worth after 5 years?

$$A = P \left( 1 + \frac{r}{n} \right)^{nt}$$

$$A = 3000 \left( 1 + \frac{0.0521}{4} \right)^{4(5)}$$

$$A = 3000 (1 + 0.013025)^{20}$$

$$A = 3000 (1.295398128)$$

$$A = \$3886.19$$

b) How much interest did he earn?

$$\$886.19$$

2. Fred has a **Self Service Account** from the **Bank of Atlantic Canada**, during the past month she withdrew \$50 from a Royal Bank machine, purchased \$100 worth of travelers cheques, paid the telephone bill using internet banking, and wrote 14 cheques. If his balance was \$2500 how much did he pay in service fees? (page 96 will help)

$$\$250$$