

Show your work and formulas!

1. List the terms for the following abbreviations:

- a. agcy \_\_\_\_\_
- b. asst \_\_\_\_\_
- c. bi/lin \_\_\_\_\_
- d. email res \_\_\_\_\_
- e. eves \_\_\_\_\_
- f. fee paid \_\_\_\_\_
- g. exp'd \_\_\_\_\_
- h. F/T \_\_\_\_\_
- i. Gd \_\_\_\_\_
- j. K \_\_\_\_\_
- k. P/T \_\_\_\_\_
- l. Pd vac \_\_\_\_\_
- m. Req \_\_\_\_\_
- n. To \$m \_\_\_\_\_
- o. w/ \_\_\_\_\_

2. If a job is advertised for 45K what is the gross monthly pay? \_\_\_\_\_ The gross biweekly pay? \_\_\_\_\_ The gross weekly pay? \_\_\_\_\_ The gross bimonthly pay? \_\_\_\_\_

3. Approximately how much would you earn in a year at a rate of \$14.50/hour? <sup>work</sup> (40 hrs. per week)

4. You found your job through an agency that charges you 15% of your first 10 weeks salary. Your weekly earning are \$500. How much do you have to pay the agency?

5. If you save \$45 dollars off a \$395 dollar cost what is the percent discount?

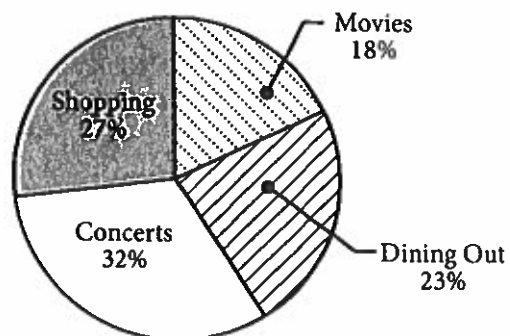
## Financial Math

### True/False

Indicate whether the statement is true or false.

- \_\_\_ 6) Andy leaves a certain radio on all day while he works. This radio requires 125 watts of electricity. At a price per kilowatt-hour of \$0.10, it costs \$0.10 to play the radio all day.
- \_\_\_ 7) A cash flow analysis is a type of budget that helps people plan for future spending and savings.
- \_\_\_ 8) Some examples of variable expenses are utility bills and entertainment costs.
- \_\_\_ 9) Net worth is the difference between a person's assets and their liabilities. Net worth can be a positive number or a negative number.
- \_\_\_ 10) Tamika created this pie chart of her entertainment budget. According to the chart, if Tamika's budget is \$125 for entertainment, \$36 is budgeted for shopping.

Entertainment Budget



- \_\_\_ 11) A spreadsheet is an example of an electronic matrix.
- \_\_\_ 12) Jane wants to keep her debt-to-income ratio at the recommended 15% or lower. The sum of Jane's assets is \$12,000 and the sum of her liabilities is \$2,300, so she easily falls within the recommended amount.
- \_\_\_ 13) The Yamamotos use natural gas to heat their home. Last year they paid \$14.50 per thousand cubic feet (Mcf). The price increased 20% this year so they are now paying \$17.4 per Mcf.
- \_\_\_ 14) A nursery located in Florida uses a water meter to measure their water usage in ccf. They are charged \$0.36 per ccf of water. Their last meter reading was 123,692 and their present reading is 127,394. For this usage, the nursery was charged \$332.72.

**Financial Math****True/False**

Indicate whether the statement is true or false.

- \_\_\_ 15) Annual percent yield is higher than the annual percentage rate because APY takes into account the additional interest earned by compounding.
- \_\_\_ 16) Maxine deposited \$1,000 into an account that pays 4.5% interest, compounded daily. At the end of six months, she has earned \$12 in interest.
- \_\_\_ 17) The Federal Deposit Insurance Corporation insures bank accounts up to a particular amount. This means that if the bank fails, the money is guaranteed by the government.
- \_\_\_ 18) Compound interest earns more than simple interest at the same interest rate because compounding pays interest on the interest earned.
- \_\_\_ 19) Aaron wants to know how much he needs to save each month in his savings account to have a certain amount in the future. He should use the formula for present value of a periodic deposit investment.
- \_\_\_ 20) To reconcile a check register means to match all the entries in the register with the statement received from the bank and correct any discrepancies.
- \_\_\_ 21) Interest compounded semiannually is compounded four times a year.

**Multiple Choice**

Identify the choice that best completes the statement or answers the question.

- \_\_\_ 22) Margarite wants to take a trip to Japan in 8 years. She knows she will need about \$4,200. How much should she deposit into an account now that pays 3.5% interest compounded daily, in order to meet her goal? Round to the nearest dollar.
- |            |            |
|------------|------------|
| a. \$3,781 | c. \$1,026 |
| b. \$1,706 | d. \$3,174 |
- \_\_\_ 23) Malcolm wants to make a deposit into an account that earns interest. He wants to be able to access the money on a limited basis. What type of account should he NOT consider?
- |                         |                              |
|-------------------------|------------------------------|
| a. Savings Account      | c. Statement Savings Account |
| b. Money Market Account | d. Certificate of Deposit    |
- \_\_\_ 24) James and Terry open a savings account that has a 2.75% annual interest rate, compounded monthly. They deposit \$500 into the account each month. How much will be in the account after 20 years?
- |                 |                 |
|-----------------|-----------------|
| a. \$48,407.45  | c. \$159,744.59 |
| b. \$580,894.18 | d. \$330,600.15 |

### Financial Math Test 4

**True/False**

Indicate whether the statement is true or false.

- \_\_\_ 25) A debit card is a type of charge card where the monthly bill must be paid in full.
- \_\_\_ 26) Last month the ending balance on Maryanne's Mastercard was \$1,789, the average daily balance was \$755, and the monthly periodic rate is 1.85%. Her finance charge can be calculated by multiplying the ending balance times the monthly periodic rate. So the finance charge is  $\$1,789 \times 0.0185 = \$33.10$ .
- \_\_\_ 27) Taneeka borrowed \$12,000 for a car for 6 years at an APR of 7.25%. Her monthly payment will be \$206.03.
- \_\_\_ 28) Interest can be the money paid by a bank to a consumer as compensation for keeping their money in that bank. Interest can also be the money paid to a bank for the use of their money.
- \_\_\_ 29) The Truth-in-Lending Act protects consumers from harassment from creditors.
- \_\_\_ 30) A FICO score is named after its creator, Fair, Isaac, and Company. It summarizes the probability that a person with debt will repay that debt.
- \_\_\_ 31) FICO scores range from 300 to about 850. A score above 770 is excellent, a score above 700 is good, and a score below 600 is considered a credit risk.
- \_\_\_ 32) The total interest on a five-year 5.2% loan with a principal of \$10,000 is  $10,000 \times 0.052 \times 5 = \$2,600$ .
- \_\_\_ 33) Max found a car he wants to buy that costs \$16,000. He can afford to pay \$250 a month for the car. His bank offers him a car loan of 7.3%. The length of his loan should be about 5 years so he can afford the payments.
- \_\_\_ 34) Regina pays her credit card balance in full each month. Last month her average daily balance was \$345 and the APR is 11.2%. The finance charge on her current month's statement is \$13.22.

**Multiple Choice**

Identify the choice that best completes the statement or answers the question.

- \_\_\_ 35) Use the summary section of the monthly credit card statement below to calculate the finance charge.

SUMMARY	Previous Balance	Payments / Credits	Transactions	Late Charge	Finance Charge	New Balance	Minimum Payment
	\$750.00	\$70.00	\$110.00	\$0.00	?		\$40.00
	Average Daily Balance	# Days in Billing Cycle	APR	Monthly Periodic Rate			
	\$805.00	30	15%	1.25%			

- a. \$33.54
- b. \$12.98
- c. \$10.06
- d. \$9.38