

Math 155 Ch 2 – Math and the Tourist
Sample Test

Name _____

1. Explain the difference between simple and compound interest.
2. Show that a 30% discount followed by a 20% discount at the register is less than a 50% discount.
3. Which investment had a greater rate of return (percent increase in value) in one year,
 - a) a \$160,000 condo that sold for \$185,000 or
 - b) an \$8000 stock portfolio that sold for \$9500.

If \$650 is invested at an APR of 7.3% for 3 years, how much is in the account if:

4. simple interest is given.
5. interest is compounded daily.
6. What principle should be deposited in a compound interest account to have \$90,000 in 12 years if the APR is 7.2% and interest is computed monthly?
7. What monthly payment should be made to an annuity to have \$90,000 in 12 years if the APR is 7.2%?
8. What are your monthly payments for a auto loan of \$23,500 for 60 months with an APR of 9.6%?
9. Your Hotel bill for a week stay on Victoria Island Canada was \$1448 Canadian Dollars. If the exchange rate is 1 US dollar equals 1.1826 Canadian dollar, how much was charged to you US Visa account?
10. Find the daily rates and the total monthly finance charge for the VISA account below.

Pat A. Consumer		0000 1111 2222 3333	
<u>Type of Balance</u>	<u>APR</u>	<u>Daily Rate</u>	<u>Average Daily Balance</u>
Purchase(s)	10.35%	_____ %	\$435.75
Cash Advance(s)	15.49%	_____ %	\$546.89
Balance Transfer(s)	7.42%	_____ %	\$776.50
Days in Billing Cycle 30			