1. If an item costs $75, what is its sale price (6 pts)
   a) if a 30% discount is given?
   b) if a 20% discount is given and an additional 10% is given at the register?

2. What is the difference between simple interest and compound interest? (4 pts)

3. You deposit $6000 into an account that pays simple interest at a rate of 6% per year. How much do you have in the account after 5 years? (10 pts)

4. You deposit $6000 into an account that compounds interest monthly at a rate of 6% per year. How much do you have in the account after 5 years? (10 pts)

5. You make regular payments into an annuity of $300 a month. If the annual rate of interest is 7.2% computed monthly, how much will you have in the annuity after 25 years of these payments? (10 pts)

6. Suppose you invest $10,000 in an account which pays 7.3% compounded daily, how long must you wait before you have $450,000 in the account? (15 pts)

7. a) How much would your monthly loan payments be if you borrow $39,000 for a new Ford Explorer at an annual interest rate of 7.2% over 5 years? b) how much would the car cost you if you made all the payments? (15 pts)

8. If you accelerate the payments by $100 a month for the Explorer in Problem 7, how many payments would you make and how much would the car cost you? (15 pts)

9. You are making $1652.79 monthly payments on a 30 year-loan of $220,000 with an annual interest rate of 8.25%. After making 10 years of payments a) what is the balance on the loan? b) How much of your payments in those 10 years went toward the principle of the loan? interest of the loan? (15 pts)