

Name: _____

Date: _____

Buying on Credit

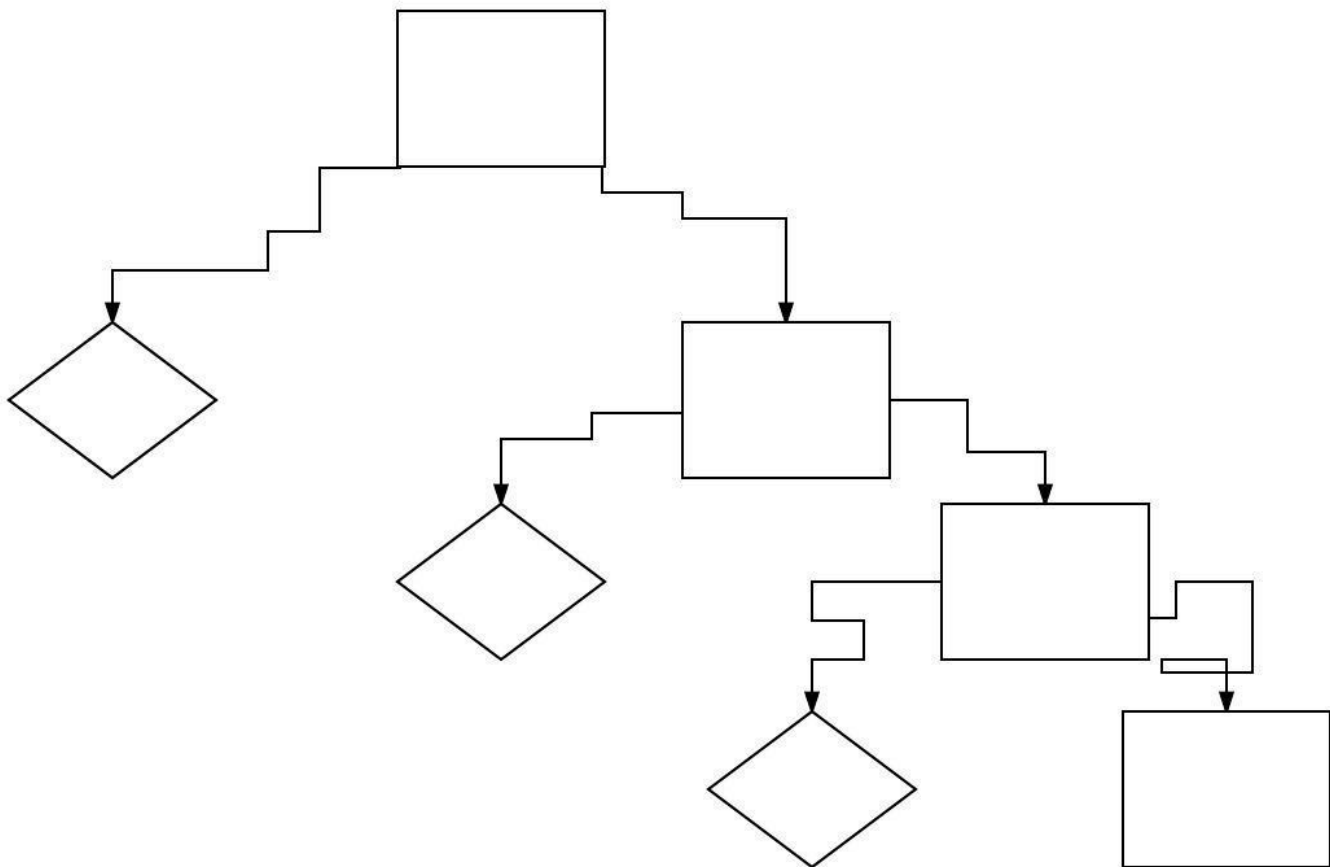
Examples:

1. _____
2. _____
3. _____
4. _____
5. _____

Credit Cards	
Advantages	Disadvantages

At the end of each month, you have 2 options:

Using A Credit Card



Previous Balance	\$225.52	Credit Limit	\$5,000.00
LESS Payments & Credits	\$230.00	Available Credit Limit	\$4,740.31
PLUS New Charges/Adjustments inc. Interest, if any	\$264.17	Available Cash Limit	\$1,000.00
EQUALS New Balance	\$259.69		
Minimum Amount Due on Sep 3, 2011		Payment Period Remaining	
	\$10.00	If each month you pay the Minimum Amount Due only	2 Year(s) 9 Month(s)

Statement includes payments and charges received by Aug 13, 2011

1. How much interest is due on an unpaid credit card balance of \$1047.28 at a rate of 21.25% for 27 days?
2. How much interest is due on an unpaid credit card balance of \$2111.67 at a rate of 18.5% for 5 months?
3. Adam has an unpaid credit card balance of \$765.43 that charges an interest rate of 19.75%. If his payment was due on September 23, how much interest will he owe on October 14? Hint: September has 30 days.
4. Debbie has an unpaid credit card balance of \$568.93. Her credit card company charges 24% per year, counting each day that an amount is owed. If she did not pay anything on July 10, her due date, how much does she owe on her next statement date, August 2? July has 31 days.

5. Stuart has an unpaid credit card balance of \$268.67. What is his minimum payment if his credit card company charges an interest rate of 18.25%, and Stuart must pay 3% or \$25, whichever is greater?
6. If Jamie took a cash advance of \$259 on her credit card for 42 days and is charged an interest rate of 21.75%, how much interest will she be charged for that period?
7. Harvey used his credit card to make the following purchases during the month. He does not have a previous balance

Date	Item	Amount
July 3	Oil Change	\$107.42
July 6	Groceries	\$139.88
July 10	Gas	\$62.00
July 15	Groceries	\$89.71
July 19	Dinner	\$47.69
July 22	Plane ticket	\$725.27

- a. What is his balance due on his statement date of July 27?
- b. If the minimum payment is 5% or \$25.00 whichever is greater, what is Harvey's minimum payment?