Show your work for all problems. Round your answers for money problems to the nearest penny and all percents to one decimal place.

1. Maribeth offers 6.5% over dealer cost on a Honda Accord that has a sticker price of $21,000 and a dealer cost of $17,000. Determine the amount of this offer.

2. A newspaper advertisement offers a $5000 used car for nothing down and 36 easy monthly payments of $175.00. What is the simple interest rate?

3. Find the interest earned and maturity value of an investment of $150,000 at 5.25% for 25 years if it is:

	Maturity Value	Interest
a. simple interest	_____	_____
b. compounded quarterly	_____	_____
c. compounded monthly	_____	_____
d. continuously	_____	_____

4. A man bought a computer printer for $259. Instead of paying cash, he paid $19 down and financed the balance at 18% simple interest and agreed to make monthly payments for 12 months.

a. What are the monthly payments? _____

b. What is the total cost? _____

5. Andrew borrowed $1,580 at 12.5% interest. The simple interest charged on the loan was $395. What was the time of this loan?

6. John-Paul makes a straight 2.75 % commission on his sales of equipment. If he sells $175,000 worth of equipment this month, how much will his paycheck be this month?

7. You make a base salary of $300 per week and a commission of 7% of sales. If you sell $2500 of merchandise this week, calculate the amount of your weekly paycheck.

8. Suzanne makes a base salary of $250 per week and a commission of 4% of her total sales that are over $500. If she sells a total of $1250 of merchandise this week, calculate the amount of her weekly paycheck.

9. Jonathan buys a motorcycle that costs $5500 plus 7.75% sales tax. Find the amount of sales tax and the total cost of the motorcycle.

10. A sporting goods store uses a markup rate of 55% on all items. The cost of a soccer ball to the retailer (store) is $15.75.

      a. What is the selling price of the soccer ball?

      b. If the store has a 25% off sale, what is the new discounted price?

11. The suggested retail price of a stereo is $217.50. Biggie Discount Store can purchase it for $145. What is the suggested markup rate on this stereo?

12. The sale price for a pair of sneakers is $59.95. If they were marked down 35%, what was their original price before the sale?

13. The total bill for dinner for you and your prom date at the Café Fancy Smancy cost $115. Find the percentage rate of the tip if the food and drinks cost was $97.

14. You are married and made $105,000 (gross income) last year. Your allowable deductions totaled $9,000. Use table 5-11 to determine if it would it be cheaper for you to file jointly or separately? Show your work.

15. Libby wrote a romance novel and had it printed at the local printers shop for a setup fee of $750 and $2.50 per book. The printer required that a minimum of 500 books be printed.
    a. If she sells all 500 books for $12.00 each, will she make a profit?

    b. How many books does she need to sell to break even?

Chapter 5 – Test Formulas & Table

$$\frac{\text{new value} - \text{original value}}{\text{original value}} \cdot 100$$

$$\frac{\text{original value} - \text{residual value}}{\text{number of years}}$$

$$M = P + I \qquad I = P\,r\,t \qquad M = P\left(1 + \frac{r}{n}\right)^{nt} \qquad A = P\,e^{rt}$$

If Your Filing Status Is:	More Than	But Not Over	The Tax Is:
Single	$ 0	$ 12,750	6% of the amount on line 11b
	$ 12,750	$ 60,000	$765 + 7% of the amount over $12,750
	$ 60,000	$120,000	$4072.50 + 7.75% of the amount over $60,000
	$120,000	—	$8722.50 + 8.25% of the amount over $120,000
Head of household	$ 0	$ 17,000	6% of the amount on line 11b
	$ 17,000	$ 80,000	$1020 + 7% of the amount over $17,000
	$ 80,000	$160,000	$5430 + 7.75% of the amount over $80,000
	$160,000	—	$11,630 + 8.25% of the amount over $160,000
Married filing jointly or qualifying widow(er)	$ 0	$ 21,250	6% of the amount on line 11b
	$ 21,250	$100,000	$1275 + 7% of the amount over $21,250
	$100,000	$200,000	$6787.50 + 7.75% of the amount over $100,000
	$200,000	—	$14,537.50 + 8.25% of the amount over $200,000
Married filing separately	$ 0	$ 10,625	6% of the amount on line 11b
	$ 10,625	$ 50,000	$637.50 + 7% of the amount over $10,625
	$ 50,000	$100,000	$3393.75 + 7.75% of the amount over $50,000
	$100,000	—	$7268.75 + 8.25% of the amount over $100,000