



# Consumer Finance

CHAPTER 3: SHOPPING FOR CLOTHES

LESSON 10: USING A CHARGE ACCOUNT

## Vocab

**Charge Card** another word for Credit Card

**Charge Account** an account with a store or company to which goods are charged and then paid for at a later date

**Minimum Payment** means the smallest amount due to be paid on a charge account

**Interest** A fee charged on the unpaid balance of a charge account

**Statement** A monthly record sent to charge account customers

Current Balance	Minimum Payment	Interest Rate Monthly	Unpaid Balance	Interest Charge	New Balance
1. 245.78	10.00	1.5%			
2. 101.98	15.00	1.6%			
3. 78.69	10.00	1.9%			
4. 2889.76	50.00	2.0%			

How did we accomplish this task? What steps did we take?

### Student Problems!

... AKA... now its your turn.

Current Balance	Minimum Payment	Interest Rate Monthly	Unpaid Balance	Interest Charge	New Balance
1. 319.34	32.50	3.2%			
2. 67.98	10.00	2.3%			
3. 123.45	25.00	3.5%			
4. 1579.24	75.00	2.1%			

### Independent Problems!

Get these problems CHECKED by me.

Current Balance	Minimum Payment	Interest Rate Monthly	Unpaid Balance	Interest Charge	New Balance
1. 654.98	50.00	2.9%			
2. 234.78	25.00	1.8%			
3. 97.53	10.00	2.3%			
4. 8642.13	250.00	3.4%			

## Buying from a Catalog

**EXAMPLE**

Ron and Jane plan to travel to Europe in July. They are looking for T-shirts that will keep them cool. Ron wants 1 of each style in the short-sleeve T-shirt, 1 in blue and 1 in grey, size L. Jane wants 1 each of 3 colors, size M, in the long-sleeve style. They order from this CoolGuy catalog.

CoolGuyT-shirts are great for traveling. Wash them and they dry instantly!  
Men's sizes S, M, L, XL, XXL. Women's sizes XS, S, M, L, XL.

Men's CoolGuy T-shirts in Grey, White, Blue,  
Black or Mineral

Short-sleeve pocket	#7264	\$26.50
Short-sleeve	#2286	\$24.50
Long-sleeve	#2285	\$29.50

Women's CoolGuy T-shirts in Lapis, White,  
or Cherry

Short-sleeve	#5968	\$24.00
Long-sleeve	#5969	\$30.00

**Directions** Complete the order forms for Ron and Jane.

Ron

	Item #	How Many	Color	Size	Description	Amount
1.						
2.						
3.						
4.						
5.	Total of Merchandise					
6.	Add 8% sales tax					
	Shipping & Handling					5.95
7.	Total Amount					

Jane

	Item #	How Many	Color	Size	Description	Amount
1.						
2.						
3.						
4.						
5.	Total of Merchandise					
6.	Add 8% sales tax					
	Shipping & Handling					5.95
7.	Total Amount					



# Renaming to the Simplest Form

**EXAMPLE**  $\frac{9}{7}$

Think: 
$$\begin{array}{r} 1 \\ 7 \overline{)9} \\ \underline{-7} \\ 2 \end{array}$$

Answer:  $\frac{9}{7} = 1 \frac{2}{7}$

**EXAMPLE**  $16 \frac{15}{4}$

$$\begin{aligned} 16 \frac{15}{4} &= 16 + \frac{15}{4} \\ &= 16 + 3 \frac{3}{4} \\ &= 19 \frac{3}{4} \end{aligned}$$

Think:

$$\begin{array}{r} 3 \\ 4 \overline{)15} \\ \underline{-12} \\ 3 \end{array}$$
 equals  $3 \frac{3}{4}$

**Directions** Rename each to the simplest form.

1.  $\frac{18}{5} =$

8.  $\frac{22}{4} =$

15.  $25 \frac{5}{4} =$

22.  $\frac{123}{11} =$

29.  $\frac{53}{13} =$

2.  $16 \frac{4}{3} =$

9.  $23 \frac{16}{9} =$

16.  $\frac{33}{10} =$

23.  $\frac{45}{7} =$

30.  $2 \frac{3}{2} =$

3.  $\frac{19}{2} =$

10.  $\frac{19}{6} =$

17.  $13 \frac{5}{2} =$

24.  $33 \frac{16}{3} =$

31.  $\frac{53}{10} =$

4.  $\frac{22}{7} =$

11.  $\frac{42}{5} =$

18.  $\frac{29}{7} =$

25.  $5 \frac{18}{9} =$

32.  $\frac{75}{8} =$

5.  $\frac{25}{3} =$

12.  $\frac{35}{8} =$

19.  $\frac{57}{6} =$

26.  $1 \frac{32}{7} =$

33.  $6 \frac{5}{4} =$

6.  $\frac{28}{5} =$

13.  $\frac{26}{13} =$

20.  $\frac{64}{7} =$

27.  $\frac{16}{3} =$

34.  $7 \frac{4}{3} =$

7.  $\frac{23}{5} =$

14.  $\frac{32}{7} =$

21.  $\frac{108}{9} =$

28.  $\frac{47}{8} =$

35.  $9 \frac{21}{4} =$



## Expressing Fractions in Higher Terms

**EXAMPLE** Express  $\frac{5}{6}$  as a fraction with a denominator of 24.

**Step 1:**

$$\frac{5}{6} = \frac{\quad}{24}$$

**Step 2:**

$$\frac{5 \times 4}{6 \times 4} = \frac{\quad}{24}$$

**Step 3:**

$$\frac{5 \times 4}{6 \times 4} = \frac{20}{24}$$

**Step 4:**

$$\frac{5}{6} = \frac{20}{24}$$

Because  $24 \div 6 = 4$ , multiply 5 by 4.

New fraction.

**Directions** Express each fraction in higher terms as indicated.

1.  $\frac{7}{8} = \frac{\quad}{40}$

9.  $\frac{5}{13} = \frac{\quad}{39}$

17.  $\frac{3}{13} = \frac{\quad}{65}$

25.  $\frac{12}{21} = \frac{\quad}{126}$

33.  $\frac{5}{16} = \frac{\quad}{112}$

2.  $\frac{4}{9} = \frac{\quad}{36}$

10.  $\frac{4}{15} = \frac{\quad}{75}$

18.  $\frac{4}{22} = \frac{\quad}{110}$

26.  $\frac{2}{11} = \frac{\quad}{121}$

34.  $\frac{2}{19} = \frac{\quad}{76}$

3.  $\frac{2}{3} = \frac{\quad}{12}$

11.  $\frac{3}{11} = \frac{\quad}{66}$

19.  $\frac{5}{7} = \frac{\quad}{56}$

27.  $\frac{3}{16} = \frac{\quad}{80}$

35.  $\frac{5}{13} = \frac{\quad}{91}$

4.  $\frac{5}{11} = \frac{\quad}{55}$

12.  $\frac{2}{17} = \frac{\quad}{34}$

20.  $\frac{3}{5} = \frac{\quad}{95}$

28.  $\frac{4}{5} = \frac{\quad}{80}$

36.  $\frac{6}{15} = \frac{\quad}{105}$

5.  $\frac{5}{12} = \frac{\quad}{36}$

13.  $\frac{12}{20} = \frac{\quad}{60}$

21.  $\frac{3}{9} = \frac{\quad}{54}$

29.  $\frac{2}{12} = \frac{\quad}{84}$

37.  $\frac{4}{13} = \frac{\quad}{117}$

6.  $\frac{2}{7} = \frac{\quad}{35}$

14.  $\frac{11}{12} = \frac{\quad}{60}$

22.  $\frac{1}{7} = \frac{\quad}{63}$

30.  $\frac{5}{7} = \frac{\quad}{70}$

38.  $\frac{11}{23} = \frac{\quad}{161}$

7.  $\frac{6}{9} = \frac{\quad}{54}$

15.  $\frac{4}{21} = \frac{\quad}{84}$

23.  $\frac{2}{3} = \frac{\quad}{108}$

31.  $\frac{2}{12} = \frac{\quad}{72}$

39.  $\frac{35}{50} = \frac{\quad}{250}$

8.  $\frac{1}{2} = \frac{\quad}{10}$

16.  $\frac{1}{16} = \frac{\quad}{48}$

24.  $\frac{3}{4} = \frac{\quad}{52}$

32.  $\frac{3}{18} = \frac{\quad}{54}$

40.  $\frac{5}{40} = \frac{\quad}{200}$





# Subtraction of Fractions

**EXAMPLE**  $13\frac{11}{12} - 2\frac{2}{12} =$

Write this:  $13\frac{11}{12}$  If the denominators are the same, then subtract the numerators.

$$\begin{array}{r} 13\frac{11}{12} \\ - 2\frac{2}{12} \\ \hline 11\frac{9}{12} = 11\frac{3}{4} \end{array}$$

Simplify to the lowest terms.

**EXAMPLE**  $6\frac{5}{7} - 2\frac{3}{21} =$

Write this:  $6\frac{5}{7} = 6\frac{15}{21}$  Find the least common denominator. Then subtract.

$$\begin{array}{r} 6\frac{15}{21} \\ - 2\frac{3}{21} \\ \hline 4\frac{12}{21} = 4\frac{4}{7} \end{array}$$

**Directions** Subtract. Simplify your answers to the lowest terms.

1.  $\frac{6}{7}$   
 $-\frac{4}{7}$   

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7.  $2\frac{2}{3}$   
 $-1\frac{1}{7}$   

---

13.  $3\frac{5}{8}$   
 $-2\frac{3}{16}$   

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19.  $1\frac{27}{28}$   
 $-\frac{3}{7}$   

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2.  $14\frac{11}{15}$   
 $-2\frac{1}{15}$   

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8.  $10\frac{3}{16}$   
 $-1\frac{1}{32}$   

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14.  $8\frac{5}{12}$   
 $-2\frac{2}{18}$   

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20.  $14\frac{1}{5}$   
 $-5\frac{1}{8}$   

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3.  $8\frac{2}{3}$   
 $-6\frac{1}{6}$   

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9.  $3\frac{7}{12}$   
 $-\frac{2}{8}$   

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15.  $18\frac{2}{5}$   
 $-3\frac{1}{15}$   

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21.  $30\frac{3}{13}$   
 $-4\frac{4}{39}$   

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4.  $7\frac{4}{5}$   
 $-2\frac{6}{10}$   

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10.  $12\frac{4}{5}$   
 $-3$   

---

16.  $7\frac{8}{9}$   
 $-2\frac{3}{18}$   

---

22.  $15\frac{1}{2}$   
 $-2\frac{3}{7}$   

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5.  $6\frac{19}{20}$   
 $-4\frac{1}{5}$   

---

11.  $26\frac{3}{8}$   
 $-4\frac{2}{6}$   

---

17.  $26\frac{7}{8}$   
 $-2\frac{1}{6}$   

---

23.  $81\frac{2}{11}$   
 $-3\frac{2}{22}$   

---

6.  $25\frac{5}{7}$   
 $-2\frac{3}{8}$   

---

12.  $2\frac{7}{11}$   
 $-1\frac{6}{66}$   

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18.  $9\frac{5}{12}$   
 $-4\frac{2}{9}$   

---

24.  $12\frac{6}{10}$   
 $-3\frac{2}{25}$   

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# Multiplication of Decimals

**EXAMPLE**  $31.2 \times 0.34 =$

Write this:

$$\begin{array}{r} 31.2 \\ \times .34 \\ \hline 1248 \\ +936 \\ \hline 10608 \end{array}$$

$\begin{array}{r} 1 \\ + 2 \\ \hline 3 \end{array}$  Decimal place  
Decimal places  
Decimal places to be  
marked off in the  
product counting  
from right to left.

**EXAMPLE**  $0.33 \times 0.005 =$

Write this:

$$\begin{array}{r} .33 \\ \times .005 \\ \hline 0.00165 \end{array}$$

Sometimes it becomes necessary to insert zeros at the left.

**Directions** Multiply.

1.  $\begin{array}{r} 3.4 \\ \times 2.6 \\ \hline \end{array}$

4.  $\begin{array}{r} 4.21 \\ \times 3.8 \\ \hline \end{array}$

7.  $\begin{array}{r} 20.34 \\ \times 10.3 \\ \hline \end{array}$

10.  $\begin{array}{r} .0037 \\ \times .019 \\ \hline \end{array}$

2.  $\begin{array}{r} 71.8 \\ \times .29 \\ \hline \end{array}$

5.  $\begin{array}{r} 10.8 \\ \times 1.71 \\ \hline \end{array}$

8.  $\begin{array}{r} .234 \\ \times .008 \\ \hline \end{array}$

11.  $\begin{array}{r} .00319 \\ \times .0084 \\ \hline \end{array}$

3.  $\begin{array}{r} 3.02 \\ \times .12 \\ \hline \end{array}$

6.  $\begin{array}{r} 4.501 \\ \times 2.3 \\ \hline \end{array}$

9.  $\begin{array}{r} 1.03 \\ \times .009 \\ \hline \end{array}$

12.  $\begin{array}{r} .0028 \\ \times .072 \\ \hline \end{array}$

**Directions** Write these in vertical form and multiply.

13.  $2.034 \times 4.5 =$  \_\_\_\_\_

19.  $0.934 \times 23.1 =$  \_\_\_\_\_

14.  $4.9 \times 0.009 =$  \_\_\_\_\_

20.  $0.0201 \times 0.039 =$  \_\_\_\_\_

15.  $0.004 \times 0.24 =$  \_\_\_\_\_

21.  $0.0031 \times 0.009 =$  \_\_\_\_\_

16.  $49.5 \times 3.4 =$  \_\_\_\_\_

22.  $10.07 \times 0.35 =$  \_\_\_\_\_

17.  $3.405 \times 0.003 =$  \_\_\_\_\_

23.  $129 \times 4.03 =$  \_\_\_\_\_

18.  $0.00391 \times 0.019 =$  \_\_\_\_\_

24.  $0.506 \times 0.0001 =$  \_\_\_\_\_



## Using a Charge Account

**EXAMPLE** Ryan has bought supplies for her floral shop on her credit card. She owes \$330.00. The minimum payment due is \$40.00. Ryan decides to pay \$80.00. That is more than her minimum so that she can pay it off faster. Ryan's interest charge per month is 0.9% of the unpaid balance. How much will she owe next month if she makes no new purchases?

**Step 1** Subtract the payment from the balance to find unpaid balance.

$$\begin{array}{r} \$330 \text{ Balance} \\ - 80 \text{ Payment} \\ \hline \$250 \text{ New Balance} \end{array}$$

**Step 2** Find the interest on the unpaid balance.

$$\begin{array}{r} \$250 \\ \times .009 \\ \hline \$2.25 \end{array}$$

**Step 3** Add the interest to the unpaid balance to the new balance.

$$\begin{array}{r} \$250.00 \\ + 2.25 \\ \hline \$252.25 \end{array}$$

Ryan now owes \$252.25 on her charge account.

**Directions** Find the interest and new balance on these charge accounts.

	Balance	Payment	Unpaid Balance	Interest Rate per Month	Interest	New Balance
1.	\$100.00	\$20		1.2%		
2.	\$1,020.00	\$100		1.5%		
3.	\$450.00	\$45		1.6%		
4.	\$825.00	\$85		0.9%		
5.	\$56.00	\$2.80		1.4%		
6.	\$143.00	\$7.15		1.5%		
7.	\$253.00	\$12.65		1.6%		
8.	\$167.00	\$8.35		2.0%		
9.	\$52.70	\$2.64		1.8%		
10.	\$152.89	\$7.64		1.5%		
11.	\$376.14	\$18.81		1.3%		
12.	\$985.09	\$49.25		1.5%		
13.	\$552.17	\$27.61		1.6%		
14.	\$682.34	\$34.12		1.8%		
15.	\$710.02	\$35.50		0.9%		

