

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.

CoolGuy T-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 $\frac{9}{7}$

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

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:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



Multiplication of Decimals

EXAMPLE $31.2 \times 0.34 =$

Write this:

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

1
+ 2
3

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:

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

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%		

