

Short Answer

1. Chin Pon's charge account statement showed a previous balance of \$0.00, a finance charge of \$0.00, new purchases of \$781.50, and no payments. What is his new balance?
2. Sharla Clark's charge account statement showed a previous balance of \$2.65, a finance charge of \$0.82, new purchases of \$6,846.50, and no payments. What is her new balance?
3. Roberta James' charge account statement showed a previous balance of \$740, a finance charge of \$1.82, new purchases of \$6.50, and a payment of \$112.50. What is her new balance?
4. Shelita Sullivan's charge account statement shows an unpaid balance of \$1,329.08. The monthly finance charge is 2.5 percent of the unpaid balance. What is the new account balance?
5. Luther Williams' charge account statement shows an unpaid balance of \$3,987.11. The monthly finance charge is 1.75 percent of the unpaid balance. What is the new account balance?
6. Luisa Cortez's charge account statement shows an unpaid balance of \$1,312.11. The monthly finance charge is 1.75 percent of the unpaid balance. Cortez has new purchases of \$140.00. What is the new account balance?
7. Rishi Maharan's charge account statement shows an unpaid balance of \$6,752.22. The monthly finance charge is 1.85 percent of the unpaid balance. Maharan has new purchases of \$150.75. What is the new account balance?
8. Peggy Andrews has a charge account at Davis Jewelers, which uses the unpaid-balance method of computing finance charges. The periodic rate is 1.75 percent. Andrews' previous balance is \$9,472.08. She had payments and credits of \$250.00. Andrews had \$45.00 in new purchases. What is the new account balance?  
*(subtract the \$250 payment from the \$9,472.08 before calculating the interest on the unpaid balance)*
9. Find the average daily balance (no new purchases included).

Dates	Payment	End-of-Day Balance	Number of Days	Sum of Balances
4/5-4/17		\$1,500	13	\$
4/18	\$1,000		1	
4/19-5/3				
		Total		

10. Find the average daily balance (no new purchases included).

Dates	Payment	End-of-Day Balance	Number of Days	Sum of Balances
9/1 - 9/6		\$3,000		\$
9/7	\$2,000			
9/8 - 10/2				
		Total		

11. Find the average daily balance (no new purchases included).

Dates	Payment	End-of-Day Balance	Number of Days	Sum of Balances
4/5-4/15		\$555		\$
4/16	\$330.00			
4/17-5/3				
		<b>Total</b>		

12. Find the average daily balance (no new purchases included).

Dates	Payment	End-of-Day Balance	Number of Days	Sum of Balances
6/5-6/17		\$772.00		\$
6/18	\$750.00			
6/19-7/4				
		<b>Total</b>		

13. Find the average daily balance (new purchases included).

Dates	Payment	Purchase	End-of-Day Balance	Number of Days	Sum of Balances
12/1-12/5			\$1,780		\$
12/6		\$678			
12/7-12/15					
12/16	\$1,400.00				
12/17-12/31					
			<b>Total</b>		

14. Find the average daily balance (new purchases included).

Dates	Payment	Purchase	End-of-Day Balance	Number of Days	Sum of Balances
3/1-3/5			\$20.00		\$
3/6		\$19.00			
3/7-3/15					
3/16	\$25.00				
3/17-3/31					
			<b>Total</b>		

15. Find the average daily balance (new purchases included).

Dates	Payment	Purchase	End-of-Day Balance	Number of Days	Sum of Balances
11/2 - 11/8			\$2,000		\$
11/9		\$119			
11/10	\$1,000				
11/11		\$328			
11/12 - 12/1					
			<b>Total</b>		

16. Find the average daily balance (new purchases included).

Dates	Payment	Purchase	End-of-Day Balance	Number of Days	Sum of Balances
2/1-2/5			\$1,600		\$
2/6		\$201.00			
2/7-2/14					
2/15	\$600				
2/16-2/28					
			<b>Total</b>		

Review Question

17. Iver Jenkins received this statement from one of his charge accounts. Find the Average Daily Balance, Finance Charge, and New Balance. (Finance charge is calculated based on "Average Daily Balance" and New purchases are included)

Reference	Posting Date	Transaction Date	Description	Purchases & Advances	Payments & Credits
1027485	6/8		PAYMENT		\$100.00
4500298	6/9	6/8	Menswear	\$89.33	
5473390	6/14	6/12	Housewares	\$46.87	
1374655	6/28		PAYMENT		\$200.00
Billing Period	Previous Balance	Periodic Rate	Average Daily Balance	Finance Charge	
6/5 to 7/4	\$634.85	1.45%	a.	b.	
Payments & Credits	Purchases & Advances	New Balance	Minimum Payment	Payment Due	
		c.	N/A	N/A	