

Financial Literacy
Credit Cards

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\$100 Purchase

+Goods, -\$100

\$100 = 6% = \$94

\$6

-Goods, +\$94

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Day	Purchases	Payments	Balance
1			\$265.15
2			\$265.15
3			\$265.15
4			\$265.15
5	\$83.65		\$348.80
6			\$348.80
7			\$348.80
8			\$348.80
9			\$348.80
10	\$14.68		\$363.48
11			\$363.48
12			\$363.48
13			\$363.48
14			\$363.48
15			\$363.48
16	\$113.84		\$477.32
17			\$477.32
18			\$477.32
19			\$477.32
20			\$477.32
21			\$477.32
22			\$477.32
23	\$268.55		\$745.87
24			\$745.87
25	\$22.95		\$768.82
26		\$200.00	\$568.82
27			\$578.82
28			\$578.82
29			\$578.82
30			\$578.82
31			\$578.82
Total			\$12,337.28
Ave Daily Balance			\$440.49

11.99% per yr.
= .999167%
per month

Average Daily Balance

Interest Expense
= \$440.49 *
.00999167 =
\$4.40

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CREDIT SCORE: 300 - 850



660-689	7.3%	\$199
690-719	5.1%	\$189
720-850	3.7%	\$183

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Your Previous Balance (the amount you owed on your credit card at the beginning of the month) was \$425.00. You made a payment of \$350.00. During the month, you made purchases of \$300.00 with the card. Your Ave. Daily Balance was \$400.00. The Interest expense of the card is 18%. What is your balance at the end of the month?

You try it!

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Your Previous Balance (the amount you owed on your credit card at the beginning of the month) was \$425.00. You made a payment of \$350.00. During the month, you made purchases of \$300.00 with the card. Your Ave. Daily Balance was \$400.00. The Interest expense of the card is 18%. What is your balance at the end of the month?

$\$400 * .18/12 = \6

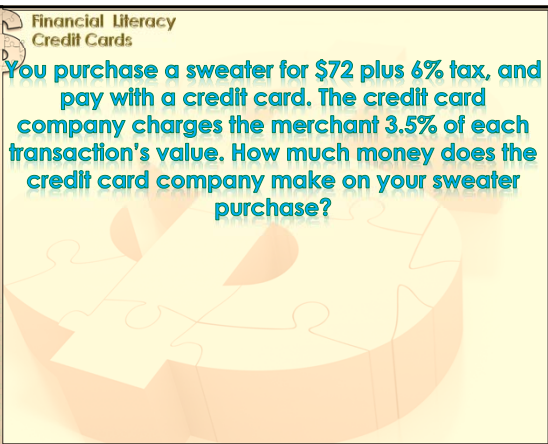
$\$425 - \$350 + \$300 + \$6 = \$381$

You try it!

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You try it!

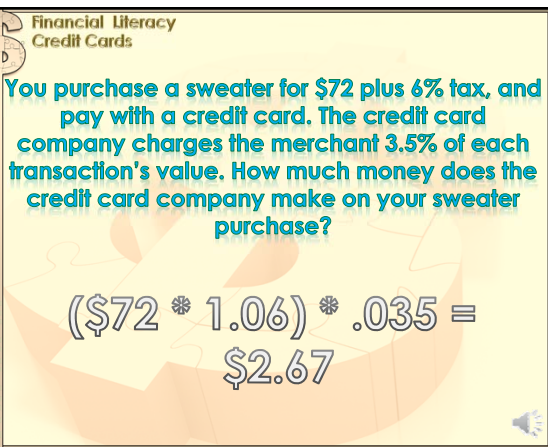
You purchase a sweater for \$72 plus 6% tax, and pay with a credit card. The credit card company charges the merchant 3.5% of each transaction's value. How much money does the credit card company make on your sweater purchase?



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You try it!

You purchase a sweater for \$72 plus 6% tax, and pay with a credit card. The credit card company charges the merchant 3.5% of each transaction's value. How much money does the credit card company make on your sweater purchase?

$$(\$72 * 1.06) * .035 =$$
$$\$2.67$$


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www.MasterMath.info

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