

MasterMath

Credit Cards

Name _____

Date _____

1. If a merchant has \$685.15 in credit card sales, and pays a transaction fee of 2.75% to the credit card company, his net receipts for the credit card sales will be what?

2. How frequently you apply for credit will not impact your credit score: true or false?

3. The most important factor used to determine your credit score is:

Statement of Personal Credit Card Account			
Retain this portion for your files.			
Cardmember Name	Account Number	Statement Closing Date	
JOE EMPLOYEE	1234-456-890	01-31-01	
Statement Date:		Payment Due Date:	
Closing Date:		Annual Percentage Rate:	18%
Average Daily Balance:	\$398.45	Credit Available:	
New Balance:		Minimum Payment Due:	
Account Summary			
Previous Balance:	\$465.15	Transaction Fees:	
Purchases:	\$378.12	Annual Fees:	
Cash Advances:		Current Amount Due:	
Payments:	\$425.00	Amount Past Due:	
Finance Charge:		Amount Over Credit Line:	
Late Charge:		NEW BALANCE:	

4. Based upon the Monthly Credit Card Statement above, answer these questions:

What was your interest expense for the month?

What was your Account Balance at the end of the month?

5. You have a great credit rating, and the Annual Percentage Rate (APR) that you pay on your credit card is 9.9%. Your friend Joe has a bad credit history, and the APR on his credit card is 24.9% If both of you have Average Daily Balances of exactly \$2,500 for the month, how much less will you pay in interest expense than Joe will pay?

6. The range of credit scores, from lowest to highest, is: