MMA Test Review Test #3

pg 599 #3-4

(3a) 6.2% ⇒ .062

.062 (1000) = #62.00

Social Sec Gross Pay

(3b) 1.45% ⇒ .0145

.0145 (1000) = #14.50

medicare Gross Pay

(4a) Taxable Income = Gross Pay - Deductions

#1000 - 150(1) = #850

(4b) tax = .15x - 29.90

15% taxable income

(4c) tax = .15(850) - 29.90 = #97.60

taxable income taxes withheld

pg 607 #3

(3a) 650 + 75 + (25)2 - 432.74 = #342.26

two overdrawn checks cost per overdraw bank account

(3b) 650 + 75 + (10)7 - 432.74 = #362.26

two overdraft checks cost per overdraft per day bank account

pg 614 #1

(1a) $A = P(1 + r \cdot t)$

$A = 2000(1 + .042 \cdot 3) = \$2252$

Principle, rate, time

$A = P\left(1 + \frac{r}{n}\right)^{n \cdot t}$

(1b) $A = 2000\left(1 + \frac{.042}{4}\right)^{4 \cdot 3} = \$2267.07$

Principle, rate, time, compounds

pg 615 #3-4

(3a) $A = P\left(1 + \frac{r}{n}\right)^{n \cdot t}$

$A = (1500 + 800)\left(1 + \frac{.055}{365}\right)^{365 \cdot 2} = \$2567.42$

(3b) $A - P = I$

amount in the account, interest earned, principal

$\$2567.42 - 2300 = \$267.42$

(4) $A = P\left(1 + \frac{r}{n}\right)^{n \cdot t}$

$A = 2000\left(1 + \frac{.0675}{12}\right)^{12 \cdot 5}$

$A = \$2800.23$

pg 655 #5-6

(5a) $.51(127) = \$64.77$

(5b) Quarterly: $.26(127) = \$33.02$ Monthly: $.0875(127) = \$11.11$

(5c) $12(11.11) - 127 = \$6.32$ more per year

(5d) It costs the company more money sending bills.

(6a)

Whole Life	Universal Life
$8.12(75) = \$609$	$4.65(75) = \$348.75$

(6b) The Premium is fixed so \$609.