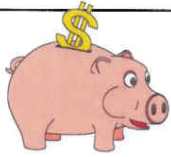


Name: \_\_\_\_\_

Date: \_\_\_\_\_



# Yearning to Earn



*Have you ever thought about how much time and work it takes to purchase something?*

- 1. Use the table below to make a list of ten things in your home that you or a parent have purchased (such as an article of clothing, toy, appliance, or gift for a relative).*
- 2. Use catalogs, newspaper ads, websites, or the phone to find the current price of each item (or one like it).*
- 3. Using the current minimum hourly wage which is now \$6.50 per hour, to determine how long it will take you to earn enough money to earn each item on your list.*

**Directions: Divide the cost of the item by \$6.50**

<i>Item</i>	<i>Cost</i>	<i>Work Hours</i>
<b>Sony CD Player</b>	<b>\$79.95 divided by \$6.50</b>	<b>12.3 hours of work</b>

4. *What have you learned from this activity?* \_\_\_\_\_  
\_\_\_\_\_



Name: \_\_\_\_\_

Date: \_\_\_\_\_

# It's on \$ale

Smart shoppers' eyes often catch sale signs. Sales discounts are usually written in percent, such as 10% off, or fractional forms, such as 1/3 off.

Use a calculator, the directions in the box to the right, and your list from "Yearning to Earn" to figure out the sales prices in the table below.



<u>Steps</u>	<u>Example</u>
1. Enter the regular price.	\$52.95
2. Press (-) subtract.	-
3. Enter amount of discount.	10%
4. Enter the percent sign.	%
5. Round to the nearest cent.	\$47.655 =

Item	Cost	10% Discount	30% Discount	50% Discount
Example: Radio	\$52.95	(See Example in Box Above) \$47.66	\$37.07	\$26.48

1. Is there a faster way to determine 50%? \_\_\_\_\_ Explain how and why. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_



## Shopping With a Credit Card

How would you like to have your very own credit card? Sounds great, right?  
But have you ever wondered why businesses want you to have their credit cards?  
It's because you pay them extra money for the use of their cards.

This extra charge is called interest. The higher the interest rate, the lower the amount you pay each month, the more extra money you'll have to pay.

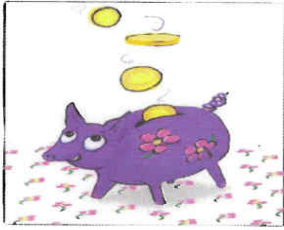
And just how much can that be? Use a calculator to complete the chart below. This credit card charges 10% interest per year. 10% is actually quite low for a credit card. Most companies charge 15 - 18%. Follow these steps:

1. Suppose you charge an item that costs \$100.00. (See new balance in the chart.)
2. You make the first monthly payment of \$15.00.
3. Subtract \$15.00 from \$100.00 to get a balance of \$85.00.
4. Use the calculator to determine the interest on that balance:  
$$\$85.00 \times 10\% = \$8.50 \text{ per year}$$
5. Divide \$8.50 by 12 to find the interest for one month: 0.7083333. Round to up to the next cent.  
$$\$0.71$$
6. Add the interest to the balance to get the new balance:  
$$\$85.71$$
7. Now make your next monthly payment by repeating steps 2 - 6.
8. Continue making monthly payments until your balance equals 0.



Name: \_\_\_\_\_

Date: \_\_\_\_\_



## Shopping With a Credit Card (continued)



Monthly Payment	Amount	Balance	Interest	New Balance
1	<b>X</b>	<b>X</b>	<b>X</b>	\$100.00
2	\$15.00	\$85.00	\$0.71	\$85.71
3	\$15.00			
4	\$15.00			
5	\$15.00			
6	\$15.00			
7	_____			



Total Payment: \_\_\_\_\_



Use the same procedure as you did above to find the total payment on a \$100.00 charge  
if  
you pay \$10.00 per month and the interest rate is 20%.

# Answer Key

## Yearning to Earn

Answers will vary

## Maybe I Should Have Boughten it Last Year

Answers will vary

## It's on Sale

Answers will vary

## Shopping with a Credit Card

Monthly Payment	Amount	Balance	Interest	New Balance
1	<b>X</b>	<b>X</b>	<b>X</b>	\$100.00
2	\$15.00	\$85.00	\$0.71	\$85.71
3	\$15.00	70.71	.59	71.30
4	\$15.00	56.30	.47	56.77
5	\$15.00	41.77	.35	42.12
6	\$15.00	27.12	.23	27.35
7	12.46	12.35	.11	12.46

Total Payment: \$102.46