

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

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

**Buy now, Pay later!**

**Example**

<b>Balance carried forward:</b>			\$1250
<b>Purchase</b>	June 10	Crazy Harry's	\$45.30
<b>Purchase</b>	June 16	Super Gas	\$25.00
<b>Due Date</b>	July 3		
<b>Amount paid</b>	\$40.00		

- *Calculate the interest on this credit card bill for next month's statement. Remember that the interest will be calculated for the entire month for the balance carried forward and from the date of the purchase for the other items. (Assume that the bills are always due on the 3<sup>rd</sup> of the month.)*
- *Work through a payment scenario for this month, based on the information above and the fact that this person can only pay \$120/mth at the very most. The interactive spreadsheet "U5A3W1 CCB with P" can be used to help you with this scenario (or the spreadsheet "U5A3W1 CCB no P").*
- *Show how long it will take to pay off the bill if the minimum payment is made each month without making any other purchases. Once again, the spreadsheet will help with these calculations.*

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The following charts enables students to organize information when making credit card purchases.

<b>Previous Balance</b>		
<b>Interest for month</b>		
$(\text{Daily rate}) \div (\text{balance}) \div (\text{number of days in month})$		+
<b><u>Purchases</u></b>	<b><u>Date</u></b>	<b><u>Amount</u></b>
		+
		+
		+
		+
		+
		+
		+
		+
<b>Total credits (Payments)</b>		-
<b>New Balance</b>		
<b>Minimum Payment</b>		

<b>Previous Balance</b>		
<b>Interest for month</b>		
$(\text{Daily rate}) \div (\text{balance}) \div (\text{number of days in month})$		+
<b><u>Purchases</u></b>	<b><u>Date</u></b>	<b><u>Amount</u></b>
		+
		+
		+
		+
		+
		+
		+
		+
<b>Total credits (Payments)</b>		-
<b>New Balance</b>		
<b>Minimum Payment</b>		