

BUSINESS CALCULATIONS

1. Loos College bought an asset on January 1 for \$26,000. It is expected to have \$2,000 trade in value at the end of its use in about 10 years. Using the straight-line method, what is the adjustment for depreciation for this year?
 - a. \$2600
 - b. \$2800
 - c. \$2400
 - d. \$2500

Competency: Depreciation

Task: Determine straight-line depreciation for a year.

2. Maria Gonzales deposits the following in her checking account: 3 ten-dollar bills, 6 five-dollar bills, 9 one-dollar bills, 9 quarters, 11 dimes, 2 nickels, 47 pennies, and a check for \$19.76. What is her total deposit?
 - a. \$92.21
 - b. \$82.21
 - c. \$82.68
 - d. \$92.68

Competency: Bank Records

Task: Write a check, prepare deposits, and prepare withdraw slips.

3. Brent House had a mortgage loan in the amount of \$87,750. He financed his house for 30 years and had a monthly payment of \$725. At the end of 30 years, what will be the total amount of interest paid on the house?
 - a. \$163,500
 - b. \$173,250
 - c. \$152,725
 - d. \$163,150

Competency: Consumer Credit

Task: Compute the costs involved in owning and buying an items such as automobile, home, etc.

4. Stephen Thublin invests \$1,000,000 in a 45-day certificate of deposit with 6.55% interest. What is the total interest income from the investment?
 - a. \$8,187.50
 - b. \$65,500.00
 - c. \$6,550.00
 - d. \$8,781.50

Competency: Interest Rates

Task: Calculate and single variable--principal, interest rate, amount of interest, or time--give the other three.

5. Lucas Brothers Hardware sells faucet sets for \$74.99, including installation. They hire subcontractors to install the faucets. The subcontractors receive \$22 per faucet installed. Other overhead costs total \$7.56 per faucet. If Lucas Brothers pays \$32.55 per faucet, what is the company's net profit?
- \$12.88
 - \$20.75
 - \$6.44
 - \$34.88

Competency: Inventory

Task: Determine the cost and value of inventory

6. GM Stock sells for $46 \frac{1}{4}$. Commission rate \$2,500 and above, .9% plus \$25. What will be a broker's fee for the purchase of 100 shares of GM stock?
- \$25
 - \$45.63
 - \$66.63
 - \$42.63

Competency: Investments

Task: Calculate the net present value of an investment such as certificate of deposit, savings account, stocks and mutual funds.

7. Find the dealer cost when the list price is \$103 with chain discounts of 12 percent and 10 percent.
- \$80.34
 - \$21.42
 - \$81.58
 - \$22.66

Competency: Mark-ups and Discounts

Task: Calculate chain, trade, cash discounts, and net selling price

8. Alicia works for commission. She is paid 10% on the first \$10,000 of sales, 15% on the next \$5,000, and 20% on sales over \$15,000. If she sold \$18,500 dollars, how much did she earn?
- \$3,700
 - \$2,975
 - \$2,700
 - \$2,450

Competency: Payroll

Task: Calculate pay based upon piecework, salary, commissions, and graduated commissions.

9. Last week, cost of goods sold for Ellen's Bakery was \$7,486. This week, cost of goods sold is \$6,042. What is the percent change?
- 19.3 percent
 - 19.3 percent
 - 23.9 percent
 - 23.9 percent

Competency: Ratios and Proportions

Task: Use ratios to evaluate profitability, efficiency, and leverage.

10. When an advertisement attracts customers to the store and the advertised special is gone, _____ exists when customers are redirected to a product with greater profit margin.
- bait and switch
 - price fixing
 - consumer fraud
 - loss leader pricing

Competency: Taxes

Task: Calculate sales tax on purchase.

Business Calculations Answer Key

- 1) C
- 2) D
- 3) B
- 4) A
- 5) A
- 6) C
- 7) C
- 8) D
- 9) A
- 10) A

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