

INTRODUCTION TO FINANCIAL MATH

- 1) A cake recipe requires 4 eggs, $\frac{1}{2}$ lb. flour, $\frac{1}{4}$ lb. sugar, and two ready-made edible flowers. How much will it cost to make two cakes? Use the following data: eggs = \$1.00/dz; flour = \$2.50/lb; sugar = \$4.50/lb; and flowers = 5 cents each.
 - A) \$2.80
 - B) \$6.41
 - C) \$2.81
 - D) \$5.61

- 2) If $80\% > 0.75$, then:
 - A) $\frac{4}{5}$ is less than $\frac{3}{4}$
 - B) 80% is equal to seventy-five hundredths
 - C) 80% is equal to $\frac{3}{4}$
 - D) $\frac{4}{5}$ is larger than $\frac{3}{4}$

- 3) The area of a circle with a diameter of 6 inches is approximately:
 - A) 56.54 in^2
 - B) 28.26 in
 - C) 56.54 in
 - D) 28.26 in^2

- 4) You purchase a car for \$1,500. The cost for a title is \$150, registration is \$75, and sales tax is 8%. What is the total cost for the car?
 - A) \$1,500
 - B) \$1,725
 - C) \$1,120
 - D) \$1,845

- 5) Mary has just charged \$1,000 on her credit card. If she pays only the interest that accumulates after one month, how much interest would she pay if the APR is 24 percent?
 - A) \$240
 - B) \$10
 - C) \$20
 - D) \$15.75

- 6) Find the amount due on a loan of \$25,000 borrowed for 5 years at 6 1/2 percent simple interest.
- A) \$8,125
 - B) \$26,625
 - C) \$33,125
 - D) \$1,625
- 7) Calculate the amount to be repaid on a principal of \$1,750 at 10% annually.
- A) \$17.50
 - B) \$175
 - C) \$1700
 - D) \$1925
- 8) Determine the average of 90, 66, 84, 72, 98.
- A) 82
 - B) 90
 - C) 102
 - D) 80
- 9) The best way to depict a future prediction is by using a:
- A) bar chart
 - B) line chart
 - C) histogram
 - D) pie chart
- 10) Find the answer for $51.04 * 0.00001$.
- A) 5.404
 - B) 0.05404
 - C) 0.0005104
 - D) 0.0005404
- 11) Johnson Construction Supply Company allows trade discounts of 20% to customers from the North Division of the state. Calculate the net selling price on building supplies of \$850.00.
- A) \$800
 - B) \$1020
 - C) \$170
 - D) \$680

- 12) Jim bought a new refrigerator for \$1,050.00 on February 12. He purchased it from Siemer's Appliances, which gives customers a cash discount of 3/10, n/30. What is the amount due if Jim pays on February 20?
- A) \$ 31.50
 - B) \$1,050.00
 - C) \$1,018.50
 - D) \$ 972.00
- 13) Twenty-five percent of $1 \frac{3}{8}$ =
- A) $1 \frac{1}{8}$
 - B) $11/32$
 - C) 1
 - D) 32%
- 14) What is 21 percent of \$732?
- A) \$ 15.37
 - B) \$578.28
 - C) \$153.72
 - D) \$286.89
- 15) In May, Bill received notice that beginning in June he would receive a 3 percent pay raise. If his monthly gross salary in May was \$2,000, how much will his gross salary be in June?
- A) \$60
 - B) \$2,600
 - C) \$600
 - D) \$2,060

ANSWER KEY

- 1) D
- 2) D
- 3) D
- 4) D
- 5) C
- 6) C
- 7) D
- 8) A
- 9) B
- 10) D
- 11) D
- 12) C
- 13) B
- 14) C
- 15) D