Name: _____ **Date:** _____

Time to Pay Up: Worksheet Answer Key

APR & Minimum Payment

Calculate the APR and Minimum Payments for each of the following Credit Cards. When calculating the minimum payment determine the cost before and after APR is applied.

Card A: APR **10.8%**; Minimum Payment **2%**; Balance: **$3,500**

APR: **10.8% of $3,500 = .108 x 3500 = *$378***

Minimum Payment: **2% of $3,500 = .02 x 3500 = *$70***

.108 x 35000 = $378

378 ÷ 12 = $31.50

3500 + 31.50 = $3,531.50

.02 x 3531.50 = *$70.63*

Card B: APR **15%**; Minimum Payment **3%**; Balance: **$5,320**

APR: **15% of $5,320 = .15 x 5320 = *$798***

Minimum Payment: **3% of $5,320 = .03 x 5320 = *$159.60***

.15 x 5320 = $798

798 ÷ 12 = $66.50

5320 + 66.50 = $5,386.50

.03 x 5386.5 = *$161.60*

Card C: APR **7.8%**; Minimum Payment **2%**; Balance: **$4,000**

APR: **7.8% of $4,000 = .078 x 4000 = *$312***

Minimum Payment: **2% of $4,000 = .02 x 4000 = *$80***

.078 x 4000 = $312

312 ÷ 12 = $26

4000 + 26 = $4,026

.02 x 4026 = *$80.52*

Name: _____ **Date: _____**

Card D: APR **19.5%**; Minimum Payment **4%**; Balance: **$7,600**

APR: 19.5% of $7,600 = .195 x 7600 = *$1,482*

Minimum Payment: 4% of $7,600 = .04 x 7600 = *$304*

.195 x 7600 = $1,482

1482 ÷ 12 = $123.50

123.50 + 7600 = $7, 723.50

.04 x 7723.50 = *$308.94*

Card E: APR **15.9%**; Minimum Payment **2%**; Balance: **$12,000**

APR: 15.9% of $12,000 = .159 x 12000 = *$1,908*

Minimum Payment: 2% of $12,000 = .02 x 1200 = *$240*

.159 x 1200 = $1,908

1908 ÷ 12 = $159

159 + 12000 = $12,159

.02 x 12159 = $243.18

Calculating your Balance

You've just attained a credit card! Based on the following scenarios, make calculations for minimum payment, credit limit, and balance.

Scenario 1:

APR: **16.5%**; Minimum Payment **3%**; Credit Limit **$10,000**

Month 1:

You Spend: **$4,000**

Current Balance: **$4,000**

Credit Limit: **$6,000**

Month 2:

Calculate: Minimum Payment: **3% of $4,000 = .03 x 4000 = *$120***

Name: _____ **Date: _____**

Credit Limit: **$6,120**

Current Balance: **$3,880**

You Spend: **$120**

At the end of this month, what will be your new balance?

(3,880 + 120) + 16.5%

4,000 + 16.5% [4000 x .165 = 660]

4,000 + 660 = *$4,660*

Scenario 2:

APR **10%**; Minimum Payment **2%**; Credit Limit **$8,000**

Month 1:

You Spend: **$5,745**

Current Balance: **$5,745**

Credit Limit: **$2,255**

Month 2:

Calculate: Minimum Payment: **2% of $8,000 = .02 x 8000 = $160**

Credit Limit: **$2,415**

Current Balance: **7,840**

You Spend: **$600**

At the end of this month, what will be your new balance?

(7,840 + 600) + 10%

8,440 + 10% [8440 x .10 = 844]

844 + 8440 = *$9,284*