Average Daily Balance

Numeric Response

1. Many companies that offer credit will use the average daily balance for an account when calculating finance charges. New purchases during the billing cycle may or may not be included in the calculation. The formulas below are used by companies that keep track of average daily balances.

    $$Average\_Daily\_Balance = \frac{Sum\_of\_Daily\_Balances}{Number\_of\_Days}$$

    Finance Charge = Periodic Rate x Average Daily Balance

    New Balance = Unpaid Balance + Finance Charge + New Purchases

Billing Periods	Payment	End-of-day Balance	Number of Days	Sum of Balances
3/1 - 3/14		$416.66	14	$5,833.24
3/15	$121.66	295.00	1	295.00
3/16 - 3/31		295.00	16	4,720.00

    Catalina Norton received her March statement from the Buy-till-you-Die credit card company. What is her daily balance according to the above information? Express your answer as a dollar amount to the nearest cent.

2. Many companies that offer credit will use the average daily balance for an account when calculating finance charges. New purchases during the billing cycle may or may not be included in the calculation. The formulas below are used by companies that keep track of average daily balances.

$$Average\_Daily\_Balance = \frac{Sum\_of\_Daily\_Balances}{Number\_of\_Days}$$

Finance Charge = Periodic Rate x Average Daily Balance

New Balance = Unpaid Balance + Finance Charge + New Purchases

Billing Periods	Payment	End-of-day Balance	Number of Days	Sum of Balances
5/1 - 5/13		$521.00	13	
5/14	$119.91	401.09	1	
5/15 - 5/31		401.09	17	

Juan Escalante received his May statement from the Spend-to-the-End credit card company. What is his daily balance according to the above information? Express your answer as a dollar amount to the nearest cent.

3. Many companies that offer credit will use the average daily balance for an account when calculating finance charges. New purchases during the billing cycle may or may not be included in the calculation. The formulas below are used by companies that keep track of average daily balances.

$$Average\_Daily\_Balance = \frac{Sum\_of\_Daily\_Balances}{Number\_of\_Days}$$

Finance Charge = Periodic Rate x Average Daily Balance

New Balance = Unpaid Balance + Finance Charge + New Purchases

Billing Periods	Payment	End-of-day Balance	Number of Days	Sum of Balances
1/1 - 1/13		$446.36	13	$5,802.68
1/14	$130.49	315.87	1	315.87
1/15 - 1/31		315.87	17	5,369.79

Maria Johnson received her January statement from the Spend-to-the-End credit card company. If the periodic rate for the average daily balance is 2.1%, what is the finance charge this month for the account according to the above information? Express your answer as a dollar amount to the nearest cent.

4. Many companies that offer credit will use the average daily balance for an account when calculating finance charges. New purchases during the billing cycle may or may not be included in the calculation. The formulas below are used by companies that keep track of average daily balances.

$$Average\_Daily\_Balance = \frac{Sum\_of\_Daily\_Balances}{Number\_of\_Days}$$

Finance Charge = Periodic Rate x Average Daily Balance

New Balance = Unpaid Balance + Finance Charge + New Purchases

Billing Periods	Payment	End-of-day Balance	Number of Days	Sum of Balances
7/1 - 7/18		$563.77	18	
7/19	$174.68	389.09	1	
7/20 - 7/31		389.09	12	

Steve Johnson received his July statement from the Charge-o-Ramma credit card company. If the periodic rate for the average daily balance is 2.2%, what is the finance charge this month for the account according to the above information? Express your answer as a dollar amount to the nearest cent.

4

5. Many companies that offer credit will use the average daily balance for an account when calculating finance charges. New purchases during the billing cycle may or may not be included in the calculation. The formulas below are used by companies that keep track of average daily balances.

$$Average\_Daily\_Balance = \frac{Sum\_of\_Daily\_Balances}{Number\_of\_Days}$$

Finance Charge = Periodic Rate x Average Daily Balance

New Balance = Unpaid Balance + Finance Charge + New Purchases

Billing Periods	Payment	End-of-day Balance	Number of Days	Sum of Balances
11/1 - 11/9		$460.05	9	$4,140.45
11/10	$129.43	330.62	1	330.62
11/11 - 11/30		330.62	20	6,612.40

Catalina Stevens received her November statement from the Buy-till-you-Die credit card company. The periodic rate for the average daily balance is 1.4% and Catalina made purchases totaling $201.78. What is the new balance as of November 30? Express your answer as a dollar amount to the nearest cent.

6. Many companies that offer credit will use the average daily balance for an account when calculating finance charges. New purchases during the billing cycle may or may not be included in the calculation. The formulas below are used by companies that keep track of average daily balances.

$$Average\_Daily\_Balance = \frac{Sum\_of\_Daily\_Balances}{Number\_of\_Days}$$

Finance Charge = Periodic Rate x Average Daily Balance

New Balance = Unpaid Balance + Finance Charge + New Purchases

Billing Periods	Payment	End-of-day Balance	Number of Days	Sum of Balances
6/1 - 6/13		$540.15	13	$7,021.95
6/14	$101.19	438.96	1	438.96
6/15 - 6/30		438.96	16	7,023.36

Bruce Stevens received his June statement from the Max-it-Out credit card company. The periodic rate for the average daily balance is 1.5% and Bruce made purchases totaling $195.37. What is the new balance as of June 30? Express your answer as a dollar amount to the nearest cent.

7. Many companies that offer credit will use the average daily balance for an account when calculating finance charges. New purchases during the billing cycle may or may not be included in the calculation. The formulas below are used by companies that keep track of average daily balances.

$$Average\_Daily\_Balance = \frac{Sum\_of\_Daily\_Balances}{Number\_of\_Days}$$

Finance Charge = Periodic Rate x Average Daily Balance

New Balance = Unpaid Balance + Finance Charge + New Purchases

Billing Periods	Payment	End-of-day Balance	Number of Days	Sum of Balances
1/1 - 1/18		$591.09	18	
1/19	$115.22	475.87	1	
1/20 - 1/31		475.87	12	

Bruce Norton received his January statement from the Max-it-Out credit card company. The periodic rate for the average daily balance is 2.1% and Bruce made purchases totaling $166.45. What is the new balance as of January 31? Express your answer as a dollar amount to the nearest cent.

8. Many companies that offer credit will use the average daily balance for an account when calculating finance charges. New purchases during the billing cycle may or may not be included in the calculation. The formulas below are used by companies that keep track of average daily balances.

$$Average\_Daily\_Balance = \frac{Sum\_of\_Daily\_Balances}{Number\_of\_Days}$$

Finance Charge = Periodic Rate x Average Daily Balance

New Balance = Unpaid Balance + Finance Charge + New Purchases

Billing Periods	Payment	End-of-day Balance	Number of Days	Sum of Balances
6/1 - 6/16		$401.23	16	
6/17	$108.32	292.91	1	
6/18 - 6/30		292.91	13	

Bruce Stevens received his June statement from the Spend-to-the-End credit card company. The periodic rate for the average daily balance is 1.8% and Bruce made purchases totaling $171.97. What is the new balance as of June 30? Express your answer as a dollar amount to the nearest cent.

Average Daily Balance
Answer Section

NUMERIC RESPONSE

1. ANS: 349.94

   PTS: 1
2. ANS: 451.37

   PTS: 1
3. ANS: 7.78

   PTS: 1
4. ANS: 10.79

   PTS: 1
5. ANS: 537.57

   PTS: 1
6. ANS: 641.57

   PTS: 1
7. ANS: 653.72

   PTS: 1
8. ANS: 471.19

   PTS: 1