Name: _____ **Class:** _____ **Date:** _____ **ID: A**

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
6/1 - 6/13		$551.54	13	$7,170.02
6/14	$175.69	375.85	1	375.85
6/15 - 6/30		375.85	16	6,013.60

Steve Galentino received his June statement from the Max-it-Out credit card company. What is his 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
3/1 - 3/16		$474.09	16	
3/17	$108.88	365.21	1	
3/18 - 3/31		365.21	14	

Maria Rameriz 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.

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
9/1 - 9/18		$529.68	18	$9,534.24
9/19	$183.28	346.40	1	346.40
9/20 - 9/30		346.40	11	3,810.40

Maria Rameriz received her September statement from the Buy-till-you-Die credit card company. If the periodic rate for the average daily balance is 1.2%, 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. 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
9/1 - 9/15		$469.36	15	
9/16	$159.04	310.32	1	
9/17 - 9/30		310.32	14	

Bruce Norton received his September statement from the Buy-till-you-Die credit card company. If the periodic rate for the average daily balance is 1.4%, 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.

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
7/1 - 7/16		$596.54	16	$9,544.64
7/17	$134.61	461.93	1	461.93
7/18 - 7/31		461.93	14	6,467.02

Maria Escalante received her July statement from the Charge-o-Ramma credit card company. The periodic rate for the average daily balance is 1.7% and Maria made purchases totaling $206.60. What is the new balance as of July 31? 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
12/1 - 12/13		$579.21	13	$7,529.73
12/14	$144.08	435.13	1	435.13
12/15 - 12/31		435.13	17	7,397.21

Bruce Stevens received his December statement from the Max-it-Out credit card company. The periodic rate for the average daily balance is 2.2% and Bruce made purchases totaling $231.08. What is the new balance as of December 31? 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
9/1 - 9/11		$438.39	11	
9/12	$141.57	296.82	1	
9/13 - 9/30		296.82	18	

Veronica Galentino received her September statement from the Buy-till-you-Die credit card company. The periodic rate for the average daily balance is 2.2% and Veronica made purchases totaling $181.87. What is the new balance as of September 30? 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
3/1 - 3/13		$536.30	13	
3/14	$152.90	383.40	1	
3/15 - 3/31		383.40	17	

Bruce Johnson received his March statement from the Buy-till-you-Die credit card company. The periodic rate for the average daily balance is 1% and Bruce made purchases totaling $222.50. What is the new balance as of March 31? Express your answer as a dollar amount to the nearest cent.

Average Daily Balance
Answer Section

NUMERIC RESPONSE

1. ANS: 451.98

   PTS: 1
2. ANS: 421.41

   PTS: 1
3. ANS: 5.48

   PTS: 1
4. ANS: 5.46

   PTS: 1
5. ANS: 677.56

   PTS: 1
6. ANS: 677.11

   PTS: 1
7. ANS: 486.36

   PTS: 1
8. ANS: 610.38

   PTS: 1