

Finance – Homework A

Find the amount of simple interest due at the end of the term.

1. \$300 @ 5% APR for 2 years
2. \$500 @ 8% APR for 18 months
3. \$1000 @ 18% APR for 2 months

Find the total amount due at the end of the term.

4. \$30,000 @ 12% APR for 5 years
5. \$30,000 @ 12% APR for 7 years
6. \$30,000 @ 12% APR for 10 years

Define: grant, annuity, loan

Finance – Homework B

1. \$13 per hour is approximately what annual salary?
2. Why should you want to pay taxes?
3. List the three main arguments against working “under the table”.
4. Compare & contrast: Gross pay vs. Net pay
5. Define: W-4, FICA, Perq

Finance – Homework C

1. Compare and contrast:
 - a. simple vs. compound interest
 - b. bank vs. credit union
 - c. checking vs. savings account
2. Why is a credit card a loan?
3. Who owns your credit card?
4. You loan your brother \$800 for two years. He agrees to pay 4% compound interest to you. What is the total he will repay you?

Homework D – Review Questions

Calculate. Show all work.

1. Find the simple interest on \$4000 borrowed for 3 years at 9% APR.
2. Find the compound interest on \$800 borrowed for 5 years at 8% APR.
3. Find the total owed on a simple interest loan of \$1000 for 20 months at 7% APR.
4. Find the total owed on a compound interest loan of \$1200 for 100 weeks at 12% APR.

Copy the question, then give a Short Answer.

5. A financial institution owned by the depositors.
6. A card for taking money out of your account.
7. A lump sum of money that makes regular payments.
8. Benefits given by an employer above salary.
9. Money received from a relative that does not require repayment.
10. The form to determine how much federal withholding tax you pay.
11. An account that has a changing balance.
12. The money in your paycheck.
13. Interest often charged between people.
14. A financial institution owned by investors.
15. A card that borrows money from a bank.
16. The income tax that helps senior citizens pay their medical expenses.
17. The receipt attached to your paycheck.
18. Working without paying taxes.
19. Borrowed money.
20. Interest charged between banks.
21. The money you earn before taxes.
22. Money received from a company that does not require repayment.
23. An account where money continues to grow.

Finance – Homework E

1. Why is a car a bad investment?
2. Who owns your car when you finance it?
3. Define repossession.
4. If you rent or lease your housing, who owns it?

Finance – Homework F

1. Compare and contrast:
 - a. House vs. condominium
 - b. Renting vs. owning
2. What are the pros and cons of a Homeowners Association?

Finance – Homework G

1. Compare and contrast:
 - a. Checking vs. savings
 - b. Savings vs. CD
 - c. CD vs. IRA
 - d. IRA vs. 401k
 - e. Annuity vs. stocks
2. Where does it make most sense to you to invest money?

Finance – Homework H

Complete a 1040EZ for each person below.

1. Robert Cassandy, 90732 Whitworth Way, Westlake Village, CA 91361
SS# 472-34-7566; Single; Parents can claim him as a dependent
Robert earned \$8154.90 from wages.
Robert also earned \$200.89 in interest.
Robert's W-2 shows: \$423.18 in federal withholding tax;
\$98.12 in FICA;
\$75.92 in Medicare tax.
2. James Johnson, 239 Fordham Rd, Thousand Oaks, CA 91360
SS# 541-34-9814; Single; Parents can claim him as a dependent
James earned \$12,090.76 from wages and has no other income.
James' W-2 shows: \$312.18 in federal withholding tax;
\$72.83 in FICA;
\$65.92 in Medicare tax.
3. Britney White, 8761 Grainger St, Simi Valley, CA 93063
SS# 871-56-2154; Single; Parents can claim her as a dependent
Britney earned \$11,350.17 from wages.
Britney also earned \$437.84 in interest.
Britney's W-2 shows: \$1058.92 in federal withholding tax;
\$123.86 in FICA;
\$97.21 in Medicare tax.
4. Sandra Cho, 8761 Township Ct, Apt. 154, Westlake Village, CA 91362
SS# 175-82-3777; Single; Parents can claim her as a dependent
Sandra earned \$13,872.57 from wages.
Sandra also earned \$21.15 in interest.
Sandra's W-2 shows: \$3,245.18 in federal withholding tax;
\$201.81 in FICA;
\$156.91 in Medicare tax.

Finance – Homework J

Budget Expenses		
	Who pays for this now?	Who will pay for this in your next life stage?
Housing		
Food		
Utilities		
Transportation		
Debt reduction		
Donations		
Savings		
Entertainment		
Miscellaneous		
Spending money		

Finance – Homework K

1. Assume your net income is \$1000 per month, and you live in your current situation (live at home, parents probably pay most of your bills, etc.). Assign money to each budget category using the table below.
2. You have an unexpected car repair bill of \$200. Assign money to each budget category using the table below.
3. Assume your net income is \$2000 per month, and you move out (paying all your own bills). Assign money to each budget category using the table below.
4. You have an unexpected car repair bill of \$200. Assign money to each budget category using the table below.

Budget Expenses				
	Live at home \$1000	Live at home \$800	Move out \$2000	Move out \$1800
Housing				
Food				
Utilities				
Transportation				
Debt reduction				
Donations				
Savings				
Entertainment				
Miscellaneous				
Spending money				
Total	\$1000	\$800	\$2000	\$1800