

Business math essay



**ASSIGN
BUSTER**

Sullivan's Handbags marks up their bags at 45% of the selling price. Pat Sullivan saw a bag at a trade show that she would sell to her customers for \$85. What is the most she could pay for the bag and still retain the 45% markup of the selling price?

6. Jeff Jones earns \$1,200 per week. He is married and claims four withholding allowances. The FICA rate is as follows: Social Security rate is 6.2% on \$97,500; Medicare rate is 1.45%. To date his cumulative wages are \$6,000. Each paycheck, his employer also deducts \$42.50 for health insurance. What is his net pay? (Calculate FIT by the percentage method.)

7. Lisa Kane borrowed \$8,000 on an 8%, 60-day note. After 15 days, Lisa paid \$2,000 on the note. On day 45, Lisa paid \$1,000 on the note. What is the total interest and ending balance due by the U. S. rule? Use ordinary interest.

8. On May 12, Bob Campbell accepted a \$5,000 note in granting a time extension of a bill of goods bought by Rick Ween. Terms of the note were 8% for 120 days. On July 8, Bob needed to raise cash and discounted the note at Rick's bank at a discount rate of 9%. Calculate Bob's proceeds.

9. Jacob Fonda deposited \$25,000 in a savings account at 10% interest compounded semiannually.

At the beginning of Year 4, Jacob deposits an additional \$40,000 at 10% interest compounded semiannually. At the end of six years, what is the balance in Jacob's account?

10. Roger Fox made deposits of \$900 semiannually to Reel Bank, which pays 6% interest compounded semiannually. After seven years, Roger made no more deposits. What would be the balance in the account eight years later from the last deposit?

11. Dick Hercher borrowed \$7,000 to travel to London. His loan is to be paid in

48 monthly installments of \$190. At the end of 14 months, Dick decides to pay off his loan. What is the final payoff Dick will make?