

Activity 14: Cary's Credit Card Statement

Cary received his Visa credit card statement shown on Page 2. Use the following directions to complete the credit card statement.



NEW PURCHASES, FEES, ADVANCES, AND DEBITS:

Add the sum of Cary's purchases during May and enter the total in the appropriate box on the statement.

COMPUTING THE FINANCE CHARGE USING THE AVERAGE DAILY BALANCE METHOD:

1. Multiply the account balance from 05/01 to 05/07 (\$233.01) by the number of days from 05/01 to 05/07 (7) \$ _____
 2. Multiply the account balance from 05/08 to 05/10 (\$233.01 + \$23.00) by the number of days from 05/08 to 05/10 (3) \$ _____
 3. Multiply the account balance from 05/11 to 05/15 by the number of days from 05/11 to 05/15 \$ _____
 4. Multiply the account balance from 05/16 to 05/20 by the number of days from 05/16 to 05/20 \$ _____
 5. Multiply the account balance from 05/21 to 05/23 by the number of days from 05/21 to 05/23 \$ _____
 6. Multiply the account balance from 05/24 to 05/26 by the number of days from 05/24 to 05/26 \$ _____
 7. Multiply the account balance on 05/27 by 1 \$ _____
 8. Multiply the account balance on 05/28 by 1 \$ _____
 9. Multiply the account balance from 05/29 to 05/31 by the number of days from 05/29 to 05/31 \$ _____
- Add the products of your nine multiplications \$ _____
- Divide your answer by the number of days from 05/01 to 05/31. This will give you the **Average Daily Balance**. Round your answer to the nearest cent and enter the amount in the appropriate box on the statement \$ _____
- Multiply the average daily balance by the periodic interest rate (.0165). This will give you the **Finance Charge**. Round your answer to the nearest cent and enter the amount in the appropriate box on the statement \$ _____

PAYMENTS AND CREDIT:

Enter Cary's payment in the appropriate box on the statement. →

COMPUTING THE NEW BALANCE:

1. Add Cary's New Purchases and Finance Charge to the Previous Balance.
2. Subtract his payment from your answer to step 1. This will give you the **New Balance**. Enter his new balance in the appropriate box on the statement. →

Name: Period: Date