The following review sheet will help you prepare for the first midterm. There will be one problem similar to that of the homework assignment. The questions on this sheet will represent what 50% of the midterm will be like. The remaining portion of the midterm will be word problems.

(1) What is the dollar amount difference between the interest for an exact and ordinary loan with a rate of 7%, a principal of $3,900 and lasting 630 days.

(2) What is the interest on an 8% per year loan which is compounded quarterly and has a principal of $15,000 and is left unpaid for 6 years.

(3) How many months should a bank make a 9% simple loan with a principal of $7,000 if they want to make $2,000 in interest from it?

(4) What rate should a 14 month, $4,000 principal simple loan have if the bank wishes to make $730 from it in interest?

(5) If a family gets a 4% raise for the next year, but the CPI indicates that inflation is 3% and there will be an extra 1.2% tax the next year, will the family gain or lose buying power?

(6) How much (in dollars) buying power is gained or lost if a family has a budget of $23,200, gets a raise of 4.6% and inflation will be 3.8%?