



Purchasing Worksheet (sample only)

Name _____

- You want to purchase video games that are advertised at \$100.
 - Compute the total cost of the video games including 5% sales tax.

- Now, let's say you want to purchase the \$100 video games using a credit card. If you don't pay the entire cost of the video games when the first bill comes, the bank will charge you interest. Let's say you have budgeted \$20 a month to pay for the video games. Assuming that the credit card interest is at 15% a year (1.25% a month), look at the table below to see how quickly this interest adds up!

Video Games and the Cost of Interest				
Month	Principal	Amount Paid	Interest	Balance
1	\$105.00	\$20.00	\$0.00	\$85.00
2	\$85.00	\$20.00	\$1.31	\$66.31
3	\$66.31	\$20.00	\$1.08	\$47.39
4	\$47.39	\$20.00	\$0.84	\$28.23
5	\$28.23	\$20.00	\$0.60	\$8.83
6	\$8.83	\$8.83	\$0.00	\$0.00

- How much would the bank charge in interest over 6 months?

- What would be the difference in the total cost of the video games if you bought them with cash or a check, versus using a credit card and paying over 6 months?