

Name _____

Date _____

Version 1: Finance Charges and Average Daily Balances Method

1. Fill in the table below:

Billing Periods	payment	End-of-day balance	Number of days	Sum of balances
08/01-08/10		\$400.56	10	\$4005.60
08/11	\$180	\$380.10	1	\$380.10
08/12-08/31		\$380.10	20	
		TOTALS		

What is the average daily balance without new purchases?

2. Compute the average daily balance, new balance and finance charge as of August 31 using the average-daily-balance method. The periodic rate is 2.5%

Date	Transaction	amount
August 2	Balance	\$1180.00
August 15	Payment	\$324.00
August 24	Purchase	\$1270.00



3. Compute the average daily balance, new balance and finance charge as of March 31 using the average-daily-balance method. The periodic rate is 1.2%

Date	Transaction	amount
March 1	Balance	\$2150
March 11	Payment	\$300
March 22	Purchase	\$1720

