

# Chapter 5 BLM Answers

## BLM 5-2 Chapter 5 Warm-Up

### Section 5.1

1. a)  $\frac{1}{2}$  year b)  $2\frac{1}{2}$  years
- c)  $\frac{30}{365} = 0.082$  years
2. a) 36 months b) 18 months
- c) 120 months
3. a) 0.25 b) 0.125 c) 0.0625
4. a) 5 b) 80 c) 900
5. Example (based on HST at 13%):  
a) \$13 b) \$260 c) \$3900

### Section 5.2

1. a) \$8.25 b) \$11.25 c) \$23.25
2. a) Example: easy to remember
- b) Example: last 4 digits of my phone number; 4 digits from my address
3. chequing account
4. savings account
5. \$23.50

### Section 5.3

1. a) \$11.39 b) \$21.04 c) \$8.68
2. a) \$22.78 b) \$42.08 c) \$17.36
3. \$50
4. Example: cell phone (\$30), gym (\$60), car insurance (\$45); total: \$135
5. Example: clothing, eating out, entertainment; Set a limit on the amount spent on each variable expense.

### Section 5.4

1. \$450
2. \$75
3. \$7426.30
4. \$6182.65
5. \$2000.00

## BLM 5-4 Section 5.1 Extra Practice

1. a) \$4.50 b) \$4.50 c) \$8.50
- d) \$13.50
2. a) \$0 b) \$0 c) \$0 d) \$0
3. a) It is easy to key the middle column of the number pad.
- b) It gives anyone else easy access to the account.
- c) Example: 1111; 1234; 0852
4. a) 60 b) chequing account
5. a) 4 b) savings account
6. a) \$4.75 b) 12%
7. a) \$25, \$25 b) \$140 c) \$600

## BLM 5-5 Section 5.2 Extra Practice

1. a) \$21.49 b) \$45.57
- c) \$9.82 d) \$63.21
2. a) \$42.98 b) \$91.14
- c) \$19.64 d) \$126.42
3. a) \$1200 b) \$1500
- c) Food: \$640, Rent: \$400, Cell phone: \$48, Gas: \$105
- d) \$1193
- e) Kara's expenses are greater than her net pay.
- f) Example: Join a car pool, pack lunch every day, use cell phone for texting only
4. a) Food, Gas, Cell phone b) \$70
- c) Example: She could save for a special purpose.
- d) Example: Add a category: Savings for college: \$70
5. \$83.33
6. a) Examples: Their combined income is the same as their total expenses; The amount of income greater than expenses was put aside for a "rainy day."
- b) Rent, Groceries, Gas, Insurance, Phone/cable/Internet, Cell phone, Gym
- c) \$1990 d) \$1360
- e)

March Budget	
Income (\$)	
Kim	1850
Derick	1500
<b>Total Income</b>	<b>3350</b>
Fixed Expenses (\$)	
Rent	800
Groceries	500
Gas	200
Car insurance	200
Phone/cable/Internet	150
Cell phone	50
Gym	90
<b>Total Fixed Expenses</b>	<b>1990</b>
Variable Expenses (\$)	
Entertainment	200
Saving to buy a condo	500
Saving for a vacation	200
Gifts and charity	100
Restaurants	300
For a "rainy day"	60
<b>Total Variable Expenses</b>	<b>1360</b>
<b>Income - Expenses</b>	<b>0</b>



7. **a)** \$100  
**b)** They decreased entertainment, savings, and restaurants, and increased groceries.  
**c)** Renovating a room and Education fund  
**d)** \$400 **e)** None  
**f)** and **g)** Entertainment: \$100, Saving for a condo: \$100, Saving for a vacation: \$100, Restaurants: \$200, Saving for a "rainy day": \$150 **h)** November  
8. **a)** \$1248.25  
**b)** Rent, Bus pass, Food, Health/personal care  
**c)**

Monthly Budget	
Income (\$)	
Net pay	1000
Fixed Expenses (\$)	
Rent	350
Bus pass	61.25
Food	300
Health/personal care	160
<b>Total Fixed Expenses</b>	<b>871.25</b>
Variable Expenses (\$)	
Entertainment	120
Loan	257
<b>Total Variable Expenses</b>	<b>377</b>
<b>Income - Expenses</b>	<b>-248.25</b>

- d)** -\$248.25  
**e)** Example: reduce her entertainment budget and her monthly loan payment  
**f)** Reduce expenses by \$248.25.  
9. **a)** Rent, Bus pass, Loan payment  
**b)** Example:

Five-Pay Month Budget	
Income (\$)	
Net pay	1250
Fixed Expenses (\$)	
Rent	350
Bus pass	61.25
Food	230
Health/personal care	91.75
<b>Total Fixed Expenses</b>	<b>733</b>
Variable Expenses (\$)	
Entertainment	20
Loan	257
<b>Total Variable Expenses</b>	<b>277</b>
<b>Income - Expenses</b>	<b>-240</b>

Each five-pay month, she can put \$240 of the fifth paycheque toward paying off her loan. After 5 five-pay months, her loan will be paid off.

10. Example:

Monthly Budget	
Income (\$)	
Net pay	1000
Fixed Expenses (\$)	
Rent	350
Bus pass	61.25
Food	300
Health/personal care	160
<b>Total Fixed Expenses</b>	<b>871.25</b>
Variable Expenses (\$)	
Entertainment	120
Savings	8.75
<b>Total Variable Expenses</b>	<b>128.75</b>
<b>Income - Expenses</b>	<b>0</b>

#### BLM 5-7 Section 5.3 Extra Practice

1. **a)** \$300 **b)** \$600 **c)** \$900 **d)** \$1200  
2. **a)** \$200 **b)** \$100 **c)** \$50 **d)** \$16.67  
3. **a)** \$60 **b)** \$90 **c)** \$150 **d)** \$14.79  
4. **a)** \$2315.25 **b)** \$2300 **c)** \$15.35  
5. **a)** \$8652.80 **b)** \$8640 **c)** \$12.80  
6. **a)** \$9 **b)** \$18 **c)** 67 years  
**d)** Example: Evan should put the \$600 in a GIC, plus save \$48.50 each month. After 1 year, Evan will have \$1200.  
7. **a)** \$1111.11 **b)** 3.33%  
**c)** 3 years, 4 months  
8. **a)** \$57.50, \$130.00, \$462.50, \$1125.00  
**b)** \$5057.50, \$5130.00, \$5462.50, \$6125.00  
9. **a)** \$3.25 **b)**  $\frac{3}{4}$  **c)** \$2.44  
10. \$1030.23

#### BLM 5-8 Section 5.4 Extra Practice

1. **a)** 2 **b)** 4 **c)** 10 **d)** 20  
2. **a)** 4 **b)** 8 **c)** 20 **d)** 40  
3. **a)** 1.25% **b)** 0.625% **c)** 0.2083%  
**d)** 0.00685%  
4. **a)** \$11 494.08 **b)** \$1494.08  
5. **a)** \$11 115.72 **b)** \$1115.72  
**c)** \$378.36  
6. **a)** 2 **b)** 0.02 **c)** \$8323.20  
**d)** \$8323.20 **e)** The answers are equal.  
7. **a)** 4 **b)** 0.02 **c)** \$3247.30  
**d)** \$3247.30 **e)** The answers are equal.  
8. **a)** \$24 000 **b)** \$120 000 **c)** \$240 000  
**d)** Example: Yes. After 10 months, Scott will make back the \$20 000 he spent on renovations. All rental money after that will be profit.  
9. **a)** 0.0534% **b)** 0.0822% **c)** 0.0343%



10. \$2127.11

11. a) 0.01370% b) \$20.59

c) Example: The monthly payments are relatively low.

d) Example: Kelly makes no advances in paying off her loan.

### BLM 5-9 Chapter 5 Test

1. D

2. D

3. A

4. C

5. B

6. B

7. a)  $i = 3\%$ ,  $n = 10$  b)  $i = 3\%$ ,  $n = 60$

8. a) \$1160.54 b) \$5808.08

9. 2 years, 11 months

10. a) \$1045.45 b) \$635.00 c) \$410.45

d) Example: Bob could sell his car and use the money to buy a bus pass. He could save the leftover money from the car sale and the additional \$250 per month for car costs. Pro: extra savings; Con: inconvenience of taking public transportation.

Income	
Oct 15 pay	\$455.36
Oct 30 pay	\$590.09
Expenses	
Bus pass	\$50.00
Saving for college	\$200.00
Gym	\$60.00
Spending money	\$150.00
Clothes	\$95.00
Cell phone	\$80.00

11. Example: Yee should list all the costs associated with buying, insuring, and maintaining a car. Next, he should estimate what income he can expect from a job that requires the use of a car. Then, he should compare the two amounts to help him decide whether buying a car is the best option.

