

## Answer Key for Supporting Problems

1:  $\$3/\text{month} \times 12 \text{ months} = \$36$  annual fees

2:  $100 / 3 = 33 \frac{1}{3}$  years;  $2\frac{1}{2} = 40$  years;  $3\frac{1}{2} = 28.6$  years

3:  $100/20=5\%$

4:  $\$1,000$  at  $6\% = \$60$ ;

15% Bracket:  $\$60 \times 0.85$  (or  $1 - 0.15$ ) =  $\$51$ ....  $51/1000 = 5.1\%$

28% Bracket:  $\$60 \times 0.72 = \$43.2$ ..... $4.32\%$

5: 15% Bracket:  $22.5 \times .85 = \$19.35$  or  $1.94\%$

28% Bracket:  $16.20$  or  $1.62\%$