Name: _____ Period: _____Date:_____

# Financial Math Challenge Key

1. Emily has a car that she could sell for about $10,000.00. However, she still owes $2,200.00 on her car loan. She also has $800 in her checking account. What is Emily's net worth.

Net worth = $8,600.00 (subtract liabilities from assets)

2. Assume you make $8.00 an hour and work 20 hours a week. You also receive $1,500.00 a year in income from a trust fund. What is your total annual income?

Total income = $9,820.00

3. Kendra would like to buy a vehicle that is priced at $5,000.00. If she has saved 15% of the purchase price for a down payment, how much has she saved for the down payment. Keeping that amount in mind, how much does she need to finance?

Down payment = $750.00 She needs to finance $250.00

4. Assume you work 40 hours per week and make $8.50 per hour. How much is your annual income? (Remember there are 52 weeks in a year)

Annual income = $17,680.00

5. You own a car you can sell for 5,900.00. You still owe $2,200.00 on the car loan. You have a department store credit card that you owe $200 on and a student loan in the amount of $8,000.00. What are your liabilities?

Liabilities =$10,400.00 (liabilities refers to debt so it does not matter the value of the car)

6. Assume you took $4,000.00 in cash out of your savings account and bought a car worth $4,000.00. Did your net worth change?

No, since we are assuming the car is worth $4,000.00

7. If you save 20 % of your income and you bring home $200 a week, how much will you save in one year?

Savings = $2,080.00

8. What is the value of your total assets if you have a car worth $10,000.00, you owe $5,500.00 on the car loan, and you have a piece of art valued at $2,500.00.

Assets = $7,000.00