## Answers are in bold italics.

1)	Consider a typical 30-year fixed-rate mortgage. During which of the following years is the highest portion of each payment applied toward interest?				
	a) First year	b) Tenth year	c) Twentieth year	d) Thirtieth year	
2)	Suppose you apply for an 8-year loan in the amount of \$21,000 with an APR of 7%. Your monthly payment is \$286.31. Determine the total amount of interest paid over the eight years.				
	a) \$5385.76	b) \$6485.76	c) \$13,440.00	d) \$27,485.76	
3)	Calculate the monthly p a) \$1583.42	ayments for a hon <b>b)</b> \$1677.72	ne mortgage of \$189,000 c) \$1703.59	with a fixed APR of 6.8% for 1 d) \$1748.34	15 years.
4)	Suppose you take out an auto loan for \$7800 over a period of 5 years at an APR of 6%. To the nearest \$100, determine the total amount of your payments over the term of the loan.				
	a) \$9000	b) \$9100	c) \$9200	d) \$9300	
5)	Suppose you have a balance of \$2200 on your credit card, which charges an APR of 16%. If you want to pay off the balance in 30 months, how much should you pay each month? Assume that you charge no additional expenses to the card.				
	a) \$89.46	b) \$92.83	c) \$96.36	d) \$103.62	
6)	Walter is married, but he and his wife filed separate income taxes in 2003. He earned wages of \$51,000, and he received \$4800 in interest from savings accounts. He also contributed \$2000 to a tax-deferred retirement plan, and he took the standard deduction. Find his <i>adjusted gross income</i> .				
	a) \$55,800	b) \$53,800	c) \$49,050	d) \$46,000	
7)	A single taxpayer who itemizes deductions is in the 28% marginal tax bracket. Which of the following will her tax bill by \$500?				
	<ul> <li>a) She makes a \$500 donation to charity.</li> <li>b) She makes a \$165 donation to charity.</li> <li>c) She qualifies for a \$500 tax credit.</li> <li>d) She qualifies for a \$165 tax credit.</li> </ul>				
8)	In 2003 Suppose a married couple filing jointly has paid \$4500 mortgage interest and contributed \$3000 to charity. Which of the following represents the greatest <i>deduction</i> amount they may claim?				
	a) \$17,000	b) \$7500	c) \$9500	d) \$0	
9)	Suppose that you are a head of household with one dependent child, and you had a <i>taxable income</i> of \$45,200 in 2003. Assuming you are not entitled to an additional tax credit for the child, how much income tax did you pay?				
	CORRECT ANSWER IS \$6995 (I am sorry! The correct answer was not one of the choices)				
10)	How much FICA (socia a) \$3825	l security) taxes w b) \$12,500	ould a single taxpayer (no c) \$7650	ot self-employed) with wages of d) \$725	of \$50,000 pay?