

More Credit Card Shenanigans

Name:

Remember: You've put \$500 on your credit card from a shopping spree.

You realize that if you continue to pay the minimum amount due you'll never pay off your shopping spree and you'll just keep giving the credit card company money. So you decide to pay \$100 each month towards your credit card balance.

If you pay \$100 each month and if your credit card company charges 18% on your remaining balance each month, how many months will it take you to pay off your balance?

How much money did you really end up paying for that \$500 shopping spree?

You MUST show your work below.

Important note: Credit card companies make tons MORE money by charging large fees if you're late with a payment. Even if your payment is just a day late, many companies charge \$35, \$50 or more ON TOP of the interest accumulated. Not only that, but often if you're late for one payment, then credit card companies increase your monthly interest for many months. Always check the fine print!