Personal Financial Literacy

Name: _____	Date: _____	Score: _____ / 24

Quick Review

Money problems are really just real-number problems in disguise. **Simple interest** is found with $I = P \times r \times t$, where P is the principal (the starting amount), r is the yearly rate written as a decimal, and t is the time in years. The total in the account is then $P + I$. To find a **percent**, change the percent to a decimal and multiply. A *markup* adds to a price while a *discount* subtracts from it, and **sales tax** is a percent added at the end. Always read carefully whether a problem wants just the interest, just the discount, or the final total.

◇ **Example:** Maya deposits \$500 in an account that earns 4% simple interest per year. How much interest does she earn in 3 years, and what is her new balance?

⇒ First write the rate as a decimal: $4\% = 0.04$. Now use $I = P \times r \times t$ with $P = 500$, $r = 0.04$, and $t = 3$: $I = 500 \times 0.04 \times 3$. Multiply step by step — $500 \times 0.04 = 20$, and $20 \times 3 = 60$. So she earns \$60 in interest. The new balance is the principal plus the interest: $500 + 60 = 560$.

Answer: $I = \$60$; balance $= \$560$

PRACTICE

Solve each money problem. Round money answers to the nearest cent.

1. Interest: $P = \$200,\ r = 5\%,\ t = 2$ yr _____
2. Interest: $P = \$1000,\ r = 3\%,\ t = 4$ yr _____
3. Interest: $P = \$800,\ r = 6\%,\ t = 1$ yr _____
4. Interest: $P = \$1500,\ r = 2\%,\ t = 3$ yr _____
5. Balance: $P = \$400,\ r = 5\%,\ t = 2$ yr _____
6. Balance: $P = \$600,\ r = 10\%,\ t = 1$ yr _____
7. 15% of \$80 _____
8. 20% of \$45 _____
9. 8% tax on \$50 _____
10. Price after 8% tax on \$50 _____
11. 25% discount on \$60 _____
12. Sale price: 25% off \$60 _____
13. Sale price: 30% off \$90 _____
14. 10% tip on a \$35 bill _____
15. Total with 10% tip on \$35 _____
16. Interest: $P = \$2500,\ r = 4\%,\ t = 5$ yr _____
17. Markup: 20% added to \$150 _____
18. Balance: $P = \$1200,\ r = 7\%,\ t = 2$ yr _____
19. 6.5% tax on \$200 _____
20. Sale price: 15% off \$48 _____

Word Problems

21. Jordan puts \$750 into a savings account that pays 5% simple interest per year. How much money will be in the account after 4 years? _____
22. A jacket costs \$80. It is on sale for 30% off, and then 5% sales tax is added to the sale price. What is the final cost? _____
23. Priya's family eats out and the bill is \$60. They want to leave an 18% tip. How much is the tip, and what is the total they pay? _____
24. A store buys a backpack for \$25 and marks it up 40% to set the selling price. What is the selling price? _____

Answer Keys

1. $\$20$
2. $\$120$
3. $\$48$
4. $\$90$
5. $\$440$
6. $\$660$
7. $\$12$
8. $\$9$
9. $\$4$
10. $\$54$
11. $\$15$
12. $\$45$
13. $\$63$
14. $\$3.50$
15. $\$38.50$
16. $\$500$
17. $\$180$
18. $\$1368$
19. $\$13$
20. $\$40.80$
21. $\$900$
22. $\$58.80$
23. tip $\$10.80$; total $\$70.80$
24. $\$35$

Step-by-Step Explanations

1. $I = 200 \times 0.05 \times 2 = 20$ dollars.
2. $I = 1000 \times 0.03 \times 4 = 120$ dollars.
3. $I = 800 \times 0.06 \times 1 = 48$ dollars.
4. $I = 1500 \times 0.02 \times 3 = 90$ dollars.
5. Interest is $400 \times 0.05 \times 2 = 40$, so the balance is $400 + 40 = 440$.
6. Interest is $600 \times 0.10 \times 1 = 60$, so the balance is $600 + 60 = 660$.
7. $0.15 \times 80 = 12$ dollars.
8. $0.20 \times 45 = 9$ dollars.
9. The tax is $0.08 \times 50 = 4$ dollars.
10. Add the $\$4$ tax to the price: $50 + 4 = 54$ dollars.
11. The discount is $0.25 \times 60 = 15$ dollars off.
12. Subtract the $\$15$ discount: $60 - 15 = 45$ dollars.
13. The discount is $0.30 \times 90 = 27$, so $90 - 27 = 63$ dollars.
14. $0.10 \times 35 = 3.50$ dollars.
15. Add the $\$3.50$ tip: $35 + 3.50 = 38.50$ dollars.
16. $I = 2500 \times 0.04 \times 5 = 500$ dollars.
17. The markup is $0.20 \times 150 = 30$, so the new price is $150 + 30 = 180$ dollars.
18. Interest is $1200 \times 0.07 \times 2 = 168$, so the balance is $1200 + 168 = 1368$.
19. $0.065 \times 200 = 13$ dollars.
20. The discount is $0.15 \times 48 = 7.20$, so $48 - 7.20 = 40.80$ dollars.
21. Interest is $I = 750 \times 0.05 \times 4 = 150$ dollars. The balance is the principal plus interest: $750 + 150 = 900$ dollars.
22. The discount is $0.30 \times 80 = 24$, so the sale price is $80 - 24 = 56$. The tax is $0.05 \times 56 = 2.80$, so the final cost is $56 + 2.80 = 58.80$ dollars.
23. The tip is $0.18 \times 60 = 10.80$ dollars. The total is the bill plus the tip: $60 + 10.80 = 70.80$ dollars.
24. The markup is $0.40 \times 25 = 10$ dollars. The selling price is the cost plus the markup: $25 + 10 = 35$ dollars.

Want Even More Practice? Check Out Our Other New Mexico NM-MSSA Test Books!

New Mexico NM-MSSA Grade 8 Math Preparation Bundle

18 full-length practice tests across three books (5 + 6 + 7)

No repeated questions—maximum practice value!

18 Tests!
3 Books
One Bundle

Important: All our test books contain **unique, completely different tests** from each other! Each book offers fresh practice questions—no repeats!

5 Practice Tests

- ✓ 5 complete practice tests with detailed explanations
- ✓ Perfect foundation for NM-MSSA test preparation
- ✓ Builds confidence and test-taking skills
- ✓ High-quality questions aligned with state standards

Start your practice journey!

6 Practice Tests

- ✓ 6 complete practice tests with detailed explanations
- ✓ **Unique tests**—different from the 5 tests book
- ✓ Perfect for more practice after mastering 5 tests
- ✓ Builds even more confidence and test-taking skills
- ✓ Same high-quality questions aligned with standards

Take your practice to the next level!

7 Practice Tests

- ✓ 7 complete practice tests for maximum preparation
- ✓ **Unique tests**—different from 5 and 6 tests books
- ✓ The most comprehensive practice for Grade 8
- ✓ Ideal for students aiming for top scores
- ✓ Extensive practice builds mastery and confidence

Go all the way with comprehensive practice!