1. You rent a car and discover there is a 10% tax on all rental cars. By what single number would you multiply the base price of the rental car to get the final price?

2. A store is offering a 15% discount on all merchandise. By what single number would you multiply the initial price of the item to get the final price?

3. A store is offering a 20% discount on all merchandise, but there is a 5% sales tax. By what single number would you multiply the initial price of an item to get the final price?

4. If your salary increases by 5% a year for 6 years, what is the total percentage increase in your salary? (Note: it is not 30%) Is it more or less that 30%?

5. Suppose the tax rate goes down by 15% per year for 3 years. Without computing, would you expect the tax rate to go down by more than 45% or less than 45% for the three years? Compute.

6. You invest some money; lets say $1,000 in an account that pays 6% interest compounded yearly. How much money will you have in 5 year? In ten years?

7. Instead of $1,000, lets say you invest P dollars (P usually stands for “principle”). How much money will you have in 5 years? Ten years? Your answer will obviously have a P in it.

8. Finally, suppose the account pays 6% interest, but it is compounded monthly. This doesn’t mean you get 6% per month, it means you get .06/12 = .005 or .5% per month. How much do you have in 5 years? Ten years?