

Modern Real Estate Practice in Illinois, 6th Edition
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Answer Key

Chapter 1

1. B
2. D
3. C
4. C
5. A
6. B
7. D
8. C

Chapter 2

1. A
2. B
3. C
4. B
5. D
6. C
7. A
8. D
9. D
10. A
11. A
12. C
13. D
14. A
15. A
16. C
17. B
18. B
19. A
20. B
21. C
22. B
23. B
24. A
25. D
26. A

In Illinois...

27. C
28. B

Chapter 3

1. C
2. D
3. B
4. D
5. C
6. A
7. D
8. B
9. C
10. B
11. C
12. D
13. D
14. D
15. A

Chapter 4

1. B
2. A
3. C
4. A
5. D
6. D
7. B
8. A
9. B
10. B
11. C
12. D
13. D
14. B

15. C
16. A
17. C

In Illinois...

18. B
19. C
20. C
21. C
22. B
23. D
24. B
25. C

Chapter 5

1. C
2. C
3. B
4. B
5. B
6. C
7. D
8. C
9. B
10. D
11. C
12. D
13. D
14. C
15. D
16. B
17. D
18. A
19. A
20. C

In Illinois...

21. B
22. A
23. B

Chapter 6

1. B
2. C
3. B
4. D
5. A
6. B
7. C
8. D
9. A
10. D
11. D
12. B
13. C
14. A
15. D
16. D
17. C
18. D
19. C
20. D
21. D

In Illinois...

22. D
23. B
24. B
25. A
26. B
27. B
28. A

Chapter 7

1. D
2. B
3. C
4. D
5. B
6. A
7. C
8. B
9. D
10. C
11. A
12. C

13. A
14. D
15. D
16. C
17. C
18. B
19. B
20. A
21. B
22. B
23. D
24. A
25. A
26. B
27. D
28. C
29. C
30. B
31. B
32. D
33. B
34. B
35. B

In Illinois...

36. B
37. C
38. D
39. B
40. C
41. C

Chapter 8

1. B
2. D
3. B
4. B
5. C
6. D
7. C
8. B
9. D
10. B
11. B
12. D
13. A

14. C
15. C
16. C
17. B
18. C
19. B
20. A
21. A
22. C
23. D
24. A
25. A
26. B
27. B
28. B
29. C
30. C
31. D
32. C
33. C

In Illinois...

34. B
35. C
36. A
37. C
38. B

Chapter 9

1. C
2. B
3. B
4. C
5. C
6. D
7. B
8. B
9. D
10. C
11. B
12. B
13. B
14. D
15. C
16. D
17. B

(Chapter 9 Cont.)

- 18. A
- 19. D
- 20. B
- 21. C
- 22. B
- 23. D
- 24. D
- 25. C

In Illinois...

- 26. A
- 27. B
- 28. C

Chapter 10

- 1. B
- 2. D
- 3. B
- 4. B
- 5. D
- 6. A
- 7. C
- 8. A
- 9. B
- 10. D
- 11. B
- 12. D
- 13. C
- 14. B
- 15. C
- 16. A
- 17. B
- 18. B
- 19. B
- 20. B
- 21. C
- 22. C
- 23. D
- 24. A
- 25. B
- 26. C
- 27. B

In Illinois...

- 28. B
- 29. D

- 30. B
- 31. C
- 32. C
- 33. D
- 34. B
- 35. B

Chapter 11

- 1. B
- 2. D
- 3. B
- 4. D
- 5. B
- 6. C
- 7. B
- 8. C
- 9. B
- 10. D
- 11. C
- 12. D
- 13. C
- 14. B
- 15. C
- 16. B
- 17. B
- 18. A
- 19. B
- 20. D
- 21. C
- 22. B
- 23. B
- 24. C
- 25. D
- 26. B
- 27. B
- 28. B
- 29. B
- 30. B
- 31. A
- 32. B
- 33. B
- 34. A
- 35. B
- 36. D
- 37. B

- 38. A
- 39. C
- 40. B
- 41. B

In Illinois...

- 42. B
- 43. D
- 44. B
- 45. D
- 46. B

Chapter 12

- 1. B
- 2. B
- 3. A
- 4. D
- 5. D
- 6. B
- 7. C
- 8. A
- 9. B
- 10. D
- 11. B
- 12. C
- 13. C
- 14. D
- 15. C
- 16. B
- 17. C
- 18. D
- 19. C
- 20. B
- 21. B
- 22. B
- 23. A
- 24. A
- 25. A
- 26. D
- 27. D
- 28. B
- 29. B
- 30. C
- 31. C
- 32. D
- 33. C

(Chapter 12)

- 34. D
- 35. C
- 36. C
- 37. A
- 38. B
- 39. D
- 40. B
- 41. C

In Illinois...

- 42. D
- 43. C
- 44. A
- 45. A
- 46. B
- 47. A
- 48. C
- 49. D
- 50. B

Chapter 13

- 1. C
- 2. D
- 3. C
- 4. D
- 5. D
- 6. C
- 7. B
- 8. C
- 9. B
- 10. D
- 11. D
- 12. C
- 13. B
- 14. B
- 15. C
- 16. D
- 17. B
- 18. B
- 19. B
- 20. C
- 21. C
- 22. A
- 23. C
- 24. B

- 25. C
- 26. B
- 27. D
- 28. D
- 29. A
- 30. C
- 31. B
- 32. C

In Illinois...

- 33. D
- 34. C
- 35. D

Chapter 14

- 1. B
- 2. B
- 3. C
- 4. B
- 5. C
- 6. C
- 7. D
- 8. B
- 9. A
- 10. D
- 11. C
- 12. C
- 13. B
- 14. B
- 15. C
- 16. B
- 17. B
- 18. D
- 19. B
- 20. C
- 21. B
- 22. B
- 23. A
- 24. D
- 25. C
- 26. C
- 27. B

Chapter 15

- 1. B
- 2. B
- 3. A
- 4. C
- 5. C
- 6. C
- 7. A
- 8. B
- 9. A
- 10. D
- 11. A
- 12. C
- 13. B
- 14. D
- 15. D
- 16. B
- 17. C
- 18. D
- 19. D
- 20. B
- 21. A
- 22. B
- 23. B
- 24. A
- 25. C
- 26. C
- 27. A
- 28. A
- 29. D
- 30. B
- 31. C
- 32. A
- 33. C
- 34. A
- 35. C

In Illinois...

- 36. D
- 37. D
- 38. C
- 39. A
- 40. B

Chapter 16

1. C
2. A
3. B
4. B
5. B
6. C
7. B
8. D
9. B
10. C
11. C
12. D
13. B
14. D
15. B
16. D
17. A
18. D
19. D
20. C
21. C
22. B
23. B
24. C
25. D
26. B
27. A
28. A
29. A
30. C
31. D
32. A
33. A
34. C
35. C
36. D
37. C

Chapter 17

1. D
2. B
3. B
4. C
5. B

6. A
7. D
8. C
9. C
10. D
11. B
12. D
13. D
14. D
15. B
16. B
17. C
18. B
19. D
20. D
21. C
22. C
23. A
24. B
25. B
26. D
27. C
28. D
29. D
30. B
31. B
32. A
33. B
34. C
35. A
36. C

In Illinois...

37. C
38. C
39. B
40. D

Chapter 18

1. A
2. A
3. B
4. D
5. B
6. D
7. C

8. B
9. D
10. D
11. D
12. B
13. A
14. D
15. D
16. D

In Illinois...

17. C

Chapter 19

1. B
2. B
3. C
4. D
5. D
6. B
7. B
8. B
9. B
10. D
11. B
12. B
13. A
14. B
15. C
16. B
17. D
18. B
19. C
20. D
21. B
22. C
23. B
24. B
25. D
26. D
27. A
28. A
29. A
30. C
31. A
32. A

(Chapter 19)

- 33. B
- 34. C
- 35. A
- 36. C
- 37. C
- 38. B
- 39. C

In Illinois...

- 40. B

Chapter 20

- 1. B
- 2. D
- 3. A
- 4. C
- 5. B
- 6. C
- 7. C
- 8. B
- 9. D
- 10. B
- 11. B
- 12. C
- 13. A
- 14. B
- 15. D
- 16. B
- 17. D
- 18. D
- 19. A
- 20. B
- 21. D
- 22. C
- 23. D
- 24. C
- 25. A
- 26. C
- 27. B
- 28. C
- 29. A
- 30. A
- 31. C

- 32. D
- 33. A
- 34. B
- 35. B
- 36. A
- 37. D
- 38. B

In Illinois...

- 39. B
- 40. C

Chapter 21

- 1. A
- 2. C
- 3. B
- 4. A
- 5. B
- 6. A
- 7. D
- 8. C
- 9. C
- 10. A
- 11. D
- 12. B
- 13. D
- 14. C
- 15. D
- 16. D
- 17. A
- 18. A
- 19. D
- 20. C
- 21. A
- 22. C
- 23. C
- 24. C
- 25. C
- 26. B
- 27. A
- 28. D
- 29. B

In Illinois...

- 30. A

Chapter 22

- 1. C
- 2. D
- 3. B
- 4. D
- 5. B
- 6. C
- 7. C
- 8. B
- 9. B

In Illinois...

- 10. B
- 11. C
- 12. D

Chapter 23

- 1. B
- 2. B
- 3. C
- 4. D
- 5. B
- 6. A
- 7. C
- 8. B
- 9. C
- 10. B
- 11. A
- 12. B
- 13. B
- 14. A
- 15. B
- 16. B
- 17. B
- 18. C
- 19. C
- 20. C
- 21. D

In Illinois...

- 22. A
- 23. C

Closing Problems

Problem 1

1. A
2. C
3. B
4. A
5. B

Problem 2

1. C
2. B
3. C
4. B

Problem 3

1. B
2. B
3. A
4. A

Answer Key for Real Estate Mathematics Practice Problems

1. d \$293,846.15 Original Cost

5% Depreciation Per Year × 7 Years = 35% Total Depreciation

100% Original Cost – 35% Total Depreciation = 65% Today's Value

\$191,000 Today's Value ÷ 65% (.65) = **\$293,846.15 Original Cost**

2. a \$1,250 Per Front Foot

\$125,000 Sales Price ÷ 100 Front Feet = **\$1,250 Per Front Foot**

3. c \$14,350 Due at Closing

100% Value – 90% LTV = 10% Down Payment

\$288,500 x 10% = \$28,850 Down Payment

\$28,850 Down Payment – \$14,500 Earnest Money = **\$14,350 Due at Closing**

4. b \$266,671 Original Cost

100% Original Cost + 12% Profit = 112% Sales Price

\$298,672 Sales Price ÷ 112% (1.12) = **\$266,671.43 Original Cost**

5. a \$360,714 Price

6. b $\$25,250 \text{ Annual Net Income} \div 7\% (.07) = \mathbf{\$360,714 \text{ Price}}$
 $\$56.67 \text{ Rent Proration}$

 $30 \text{ Days in September} - 28 \text{ Day of Closing} = 2 \text{ Days Due}$

 $\$850 \text{ Monthly Rent} \div 30 \text{ Days} = \$28.333 \text{ Per Day} \times 2 \text{ Days} = \mathbf{\$56.67 \text{ Rent Proration}}$
7. c $\$1,194.00 \text{ Total Cost}$

 $4" \div 12 = .333'$

Concrete: $40' \times 15' \times .333' = 199.8 \text{ Cubic Feet} \div 27 = 7.4 \text{ Cubic Yards} \times \$60 \text{ Per Cubic Yard} = \444

Labor: $40' \times 15' = 600 \text{ Square Feet} \times \$1.25 \text{ Per Square Foot} = \750

 $\$444 \text{ Concrete} + \$750 \text{ Labor} = \mathbf{\$1,194.00 \text{ Total Cost}}$
8. d $\$51,000 \text{ Sales Price}$

 $\$47,300 \text{ Net to Seller} + \$1,150 \text{ Closing Costs} = \$48,450 \text{ Net After Commission}$

 $100\% \text{ Sales Price} - 5\% \text{ Commission} = 95\% \text{ Net After Commission}$

 $\$48,450 \text{ Net After Commission} \text{ divided by } 95\% (.95) = \mathbf{\$51,000 \text{ Sales Price}}$
9. d $\$652.08 \text{ Average Monthly Rent}$

 $\$75,000 \text{ Gross Annual Sales} - \$50,000 = \$25,000 \text{ Gross Annual Sales}$
Subject to 2.5%

 $\$25,000 \text{ Gross Annual Sales} \times .025 = \mathbf{\$625 \text{ Annual Percentage Rent}}$

 $\$625 \text{ Annual Percentage Rent} \div 12 \text{ Months} = \$52.08 \text{ Monthly Percentage Rent}$

 $\$600 \text{ Monthly Minimum Rent} + \$52.08 \text{ Monthly Percentage Rent} = \mathbf{\$652.08 \text{ Average Monthly Rent}}$

10. b 47%

$\$825 \text{ Monthly Rent} \times 12 \text{ Months} = \$9,900 \text{ Annual Rent}$

$\$9,900 \text{ Annual Rent} \div \$21,000 \text{ Annual Income} = .47 \text{ or } \mathbf{47\%}$

11. a \$2,457 Commission to Janice

$\$273,000 \text{ Sales Price} \times .06 = \$16,380 \text{ Full Commission}$

$\$16,380 \text{ Full Commission} \div 2 \text{ Brokers} = \$8,190 \text{ Broker's Share of the Commission}$

$\$8,190 \text{ Broker's Share} \times 30\% \text{ of the Commission } (.3) = \mathbf{\$2,457 \text{ Janice's Commission}}$

12. a 10,626.63 Square Feet

$6'' \div 12'' = .5' + 75' = 75.5' \text{ Frontage}$

$9'' \div 12'' = .75' + 140' = 140.75' \text{ Depth}$

$140.75' \times 75.5' = \mathbf{10,626.63 \text{ Square Feet}}$

13. c \$1,736,000 Value

$\$775 \text{ Monthly Rent} \times 28 \text{ Units} \times 12 \text{ Months} = \$260,400 \text{ Annual Scheduled Gross Income}$

$\$260,400 \text{ Annual Scheduled Gross Income} \times 95\% (.95) = \mathbf{\$247,380 \text{ Annual Effective Gross Income}}$

$\$247,380 \text{ Annual Effective Gross Income} - \$82,460 \text{ Annual Expenses} = \$164,920 \text{ Annual Net Operating Income}$

$\mathbf{\$164,920 \text{ Annual NOI} \div 9.5\% (.095) \text{ Return} = \$1,736,000 \text{ Value}}$

14. a \$439.80 Interest Due

Seller Owes Buyer 10 Days (August 1 *through* August 10) = \$4,575.90 Annual Interest

\$243,580 Loan Balance \times 6.5% (.065) = \$15,832.70

\$15,832.70 Annual Interest \div 360 Days = \$43.98 Per Day \times 10 Days = **\$439.80 Due**

15. c \$5,512.50 For Points

2.5 Points Loan Discount + 1 Point Origination Fee = 3.5 Points

\$175,000 Sales Price \times 90% (.9) = \$157,500 Loan

\$157,500 Loan \times 3.5% (.035) = **\$5,512.50 For Points**

16. b \$10,416.67 Interest

\$250,000 Loan \times 6.25% (.0625) = \$15,625 Annual Interest

\$15,625 Annual Interest \div 12 Months \times 8 Months = **\$10,416.67 Interest**

17. d 27,225 Square Feet

$1/8 = 1 \div 8 = .125$ For Streets

100 Acres \times .125 = 12.5 Acres for Streets

100 Acres – 12.5 Acres for Streets = 87.5 Acres for Lots \times 43,560 =
3,811,500 Square Feet \div 140 Lots = **27,225 Square Feet Per Lot**

18. a \$1,944.84 Tax Proration

Seller owes the Buyer January 1 *through* April 23

31 January
28 February
31 March
23 April
113 Days Due

$\$6,282 \text{ Annual Tax} \div 365 \text{ Days} = \$17.21 \text{ Per Day} \times 113 \text{ Days} = \mathbf{\$1,944.84}$
Tax Due

19. b \$1,197.92 Monthly Net Operating Income

$\$115,000 \text{ Investment} \times 12.5\% (.125) = \mathbf{\$14,375 \text{ Annual Net Operating Income}}$

$\$14,375 \text{ Annual Net Operating Income} \div 12 \text{ Months} = \mathbf{\$1,197.92 \text{ Monthly NOI}}$

20. b \$6,204 Salesperson's Commission

$\$258,500 \text{ Sales Price} \times 6\% (.06) = \mathbf{\$15,510 \text{ Full Commission}}$

$\$15,510 \text{ Full Commission} \times 40\% (.4) = \mathbf{\$6,204 \text{ Salesperson's Commission}}$

21. c 20% Profit

$348,480 \text{ Square Feet} \times \$.75 \text{ Per Square Foot} = \$261,360 \text{ Cost}$

$348,480 \text{ Square Feet} \div 43,560 = 8 \text{ Acres} \times 2 \text{ Lots Per Acre} = 16 \text{ Lots} - 3$
 $\text{Lots} = 13 \text{ Lots Sold} \times \$24,125 \text{ Each} = \$313,625 \text{ Total Sales Price}$

$\$313,625 \text{ Sales Price} - \$261,360 \text{ Cost} = \$52,265 \text{ Profit}$
 $\mathbf{\$52,265 \text{ Profit} \div \$261,360 \text{ Cost} = .199973 \text{ or } \mathbf{20\% \text{ Profit}}}$

22. a \$133.52 Insurance Proration

2004 - 6 - 6

2004 - 2 - 16

3 - 20 3 months x 30 days/mo = 90 days + 20 days = 110 days

\$437 Annual Premium ÷ 360 Days = \$1.21389 Per Day × 110 Days Due =
\$133.52 Due

23. b 9% Annual Interest Rate

\$450 × 2 = \$900 Annual Interest

\$900 Annual Interest ÷ \$10,000 Loan = .09 or **9%**

24. d 117,600 Cubic Feet

120' × 80' = 9,600 Square Feet in Building – 1,200 Square Feet for Office
= 8,400 Square Feet Left in Warehouse × 14' ceiling = **117,600 Cubic
Feet Left in Warehouse**

25. b \$571,500 Price

\$68,580 Annual Net Operating Income ÷ 12% (.12) = **\$571,500 Price**

26. c \$77.90 Interest Proration

Seller owes Buyer 19 Days (April 1 *through* April 19)

\$18,450 Loan Balance × 8% (.08) = \$1,476 Annual Interest

\$1,476 Annual Interest ÷ 360 Days = \$4.10 Per Day × 19 Days = **\$77.90
Interest Due**

27. d \$17,625 Today's Value

3.5% Appreciation Per Year × 5 years = 17.5% Total Appreciation

100% Cost + 17.5% Total Appreciation = 117.5% Today's Value

28. b $\$15,000 \text{ Original Cost} \times 117.5\% (1.175) = \mathbf{\$17,625 \text{ Today's Value}}$
11,000 Square Feet Left
- 150' Depth – 25' Setback = 125' Left
- 100' Frontage – 6' on One Side – 6' on One Side = 88' Left
- $125' \times 88' = \mathbf{11,000 \text{ Square Feet Left}}$
29. b \$13,000 Annual Rent
- \$1,000 Monthly Minimum Rent \times 12 Months = \$12,000 Annual Minimum Rent
- \$150,000 Annual Sales – \$100,000 = \$50,000 Annual Sales Subject to 2%
- \$50,000 Annual Sales \times 2% = \$1,000 Annual Percentage Rent
- \$12,000 Annual Minimum Rent + \$1,000 Annual Percentage Rent =
\$13,000 Total Rent
30. a \$969.28 Tax Proration
- Seller owes Buyer January 1 *through* August 29
- 31 January
28 February
31 March
30 April
31 May
30 June
31 July
29 August
241 Days Due
- $\$1,468 \text{ Annual Tax} \div 365 \text{ Days} = \$4.02192 \text{ Per Day} \times 241 \text{ Days} =$
\$969.28 Tax Due
31. c \$23,595 Sales Price
- 1.25 Acres \times 43,560 Square Feet = 54,450 Square Feet \div 150' Deep = 363'
Frontage \times \$65 Per Front Foot = **\$23,595 Sales Price**
32. b \$233,846 Sales Price
- \$15,200 Full Commission \div 6.5% (.065) = **\$233,846 Sales Price**

33. d \$213,166 Loan

$\$120,000 \text{ Annual Salary} \div 12 \text{ Months} = \$10,000 \text{ Monthly Salary}$

$\$10,000 \text{ Monthly Salary} \times 25\% (.25) = \underline{\$2,500 \text{ Monthly PITI Payment}}$

$\$3678.24 \text{ Annual Tax and Insurance} \div 12 \text{ Months} = \$306.52 \text{ Monthly Tax and Insurance}$

$\$2,500 \text{ Monthly PITI Payment} - \$306.52 \text{ Monthly TI} = \$2,193.48$
Monthly PI Payment

$\$2,193.48 \text{ Monthly PI Payment} \div \$10.29 \times \$1,000 = \underline{\$213,166.18 \text{ Loan}}$

34. b \$517,650 Cost

$29' \times 34' \times 17' = 16,762 \text{ Cubic Feet in House}$

$29' \times 34' \times 8' \div 2 = 3,944 \text{ Cubic Feet in Roof}$

$16,762 \text{ Cubic Feet} + 3,944 \text{ Cubic Feet} = 20,706 \text{ Cubic Feet Total} \times \25
Per Cubic Foot = **\$517,650**

35. a \$6,000 Annual Net Operating Income

$\$50,000 \text{ Investment} \times 12\% (.12) = \underline{\$6,000 \text{ Annual Net Operating Income}}$

36. d \$47,420 Loan

$\$365.53 \text{ Monthly Interest} \times 12 \text{ Months} = \$4,386.36 \text{ Annual Interest}$

$\underline{\$4,386.36 \text{ Annual Interest}} \div 9.25\% (.0925) = \underline{\$47,420.11 \text{ Loan}}$

37. c 10%

$\$20,500 \text{ Cost of Lot} + \$193,000 \text{ Cost of Home} = \$213,500 \text{ Total Cost}$

$\$234,550 \text{ Sales Price} - \$213,500 \text{ Total Cost} = \$21,050 \text{ Profit}$

$\underline{\$21,050 \text{ Profit}} \div \$213,500 \text{ Total Cost} = .098 \text{ or } \underline{\mathbf{10\%}}$

38. c \$2,535 Rent Proration
- 30 November – 4 Day of Closing = 26 Days Due
- \$975 Monthly Rent × 3 Units = \$2,925 Monthly Rent ÷ 30 Days = \$97.50
Per Day × 26 Days = **\$2,535 Rent Proration**
39. a \$441,400 Value
- \$1,530 Monthly Expenses × 12 Months = \$18,360 Annual Expenses
- \$62,500 Annual Gross Income – \$18,360 Annual Expenses = \$44,140
Annual NOI
- \$44,140 Annual NOI ÷ 10% (.1) = **\$441,400 Value**
40. b \$272,600 Property Value
- \$265,000 Cost of House and Lot – \$40,000 Cost of Lot = \$225,000 Cost
of House
- LOT:
- 8% Annual Appreciation × 8 Years = 64% Total Appreciation
- 100% Cost + 64% Total Appreciation = 164% Today's Value
- \$40,000 Cost of Lot × 164% (1.64) = \$65,600 Today's Value of Lot
- HOUSE:
- 1% Annual Depreciation × 8 Years = 8% Total Depreciation
- 100% Cost – 8% Total Depreciation = 92% Today's Value
- \$225,000 Cost of House × 92% (.92) Today's Value = \$207,000 Today's
Value of House
- \$65,600 Lot + \$207,000 House = **\$272,600 Property Value**

41. d \$310,000 Sales Price
- \$121,600 Seller's Net + \$31,000 Closing Costs + \$135,700 Loan Payoff = \$288,300 Net After Commission
- 100% Sales Price – 7% Commission = 93% Net After Commission
- \$288,300 Net After Commission ÷ 93% (.93) = **\$310,000 Sales Price**
42. c 940 Running Feet
- 125' + 350' + 125' + 350' – 10' Gate = **940 Running Feet**
43. b 17% Profit
- \$2,500 Cost × 4 Parcels = \$10,000 Total Cost
- \$1,950 Sales Price × 6 Parcels = \$11,700 Sales Price
- \$11,700 Sales Price – \$10,000 Cost = \$1,700 Profit
- \$1,700 Profit ÷ \$10,000 Cost = .17 or **17% Profit**
44. b \$246,667 Original Cost
- 4% Annual Appreciation × 5 Years = 20% Total Appreciation
- 100% Cost + 20% Total Appreciation = 120% Today's Value
- \$296,000 Today's Value ÷ 120% (1.2) = **\$246,667 Original Cost**
45. a \$2,072 Monthly Payment
- \$60,000 Annual Salary ÷ 12 Months = \$5,000 Bill's Monthly Salary + \$2,400 Betty's Monthly Salary = \$7,400 Total Monthly Salary
- \$7,400 Total Monthly Salary × 28% (.28) = **\$2,072 Monthly Payment**

46. b 18% Annual Interest Rate
- $\$5,588 \text{ Payback (Principal + Interest)} - \$4,400 \text{ Loan (Principal)} = \$1,188$
 $\text{Interest for 18 Months } \div 18 \text{ Months} = \$66 \text{ Monthly Interest} \times 12 \text{ Months} =$
 $\$792 \text{ Annual Interest}$
- $\underline{\$792 \text{ Annual Interest}} \div \$4,400 \text{ Loan} = .18 \text{ or } \mathbf{18\% \text{ Annual Interest Rate}}$
47. c \$70 Per Front Foot
- $\$8,750 \text{ Price} \div 125 \text{ Front Feet} = \mathbf{\$70 \text{ Per Front Foot}}$
48. c \$2,437.98 Monthly Principal and Interest Payment
- $\$340,500 \text{ Loan} \div \$1,000 \times \$7.16 = \mathbf{\$2,437.98 \text{ Monthly Principal and Interest Payment}}$
49. a \$3,330 Total Commission
- $\$50,000 \text{ Sales Price} \times 6\% (.06) = \underline{\$3,000 \text{ Commission}}$
- $\$61,000 \text{ Total Sales Price} - \$50,000 \text{ Sales Price at } 6\% = \$11,000 \text{ Sales Price at } 3\%$
- $\$11,000 \text{ Sales Price} \times 3\% (.03) = \underline{\$330 \text{ Commission}}$
- $\$3,000 \text{ Commission} + \$330 \text{ Commission} = \mathbf{\$3,330 \text{ Total Commission}}$
50. d 52% Not Taken up by House
- $50' \times 100' = 5,000 \text{ Square Feet of Lot} - 2,400 \text{ Square Feet of House} =$
 $2,600 \text{ Square Feet Not Taken up by House}$
- $\underline{2,600 \text{ Square Feet}} \div 5,000 \text{ Square Feet Total} = .52 \text{ or } \mathbf{52\% \text{ Not Taken up by House}}$