

Business Mathematics

13TH EDITION



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Business Mathematics

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Business Mathematics

THIRTEENTH EDITION

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Contents

Preface *viii*

The Business Mathematics, 13th Edition, Learning System ix

Learning Tips for Students xiv

Business Mathematics Pretest xv

Index of Applications xvi

Chapter 1

Whole Numbers and Decimals 1

- 1.1 Whole Numbers 2
- 1.2 Application Problems 15
- 1.3 Decimal Numbers 21
- 1.4 Addition and Subtraction of Decimals 25
- 1.5 Multiplication and Division of Decimals 29
- Chapter 1 Quick Review 37
- Chapter Terms 37
- Case Study: Cost of Getting Married 39
- Case in Point Summary Exercise: Subway 40
- Chapter 1 Test 41

Chapter 2

Fractions 43

- 2.1 Fractions 44
- 2.2 Addition and Subtraction of Fractions 50
- 2.3 Addition and Subtraction of Mixed Numbers 58
- 2.4 Multiplication and Division of Fractions 63
- 2.5 Converting Decimals to Fractions and Fractions to Decimals 71
- Chapter 2 Quick Review 75
- Chapter Terms 75
- Case Study: Operating Expenses at Woodline Moldings and Trim 77
- Case in Point Summary Exercise: Home Depot 78
- Chapter 2 Test 79

Chapter 3

Percents 81

- 3.1 Writing Decimals and Fractions as Percents 82
- 3.2 Finding Part 89
- 3.3 Finding Base 96
- Supplementary Application Exercises on Base and Part 100
- 3.4 Finding Rate 102
- Supplementary Application Exercises on Base, Rate, and Part 106
- 3.5 Increase and Decrease Problems 110

Chapter 3 Quick Review 117

Chapter Terms 117

Case Study: Self Employed Retirement Plan 119

Case in Point Summary Exercise: Century 21 120

Chapter 3 Test 121

Chapter 4

Equations and Formulas 123

- 4.1 Solving Equations 124
- 4.2 Applications of Equations 132
- 4.3 Business Formulas 141
- 4.4 Ratio and Proportion 150
- Chapter 4 Quick Review 159
- Chapter Terms 159
- Case Study: Forecasting Sales at Alcorn's Boutique 161
- Case in Point Summary Exercise: General Motors 162
- Chapter 4 Test 164
- Chapters 1–4 Cumulative Review 168

Chapter 5

Bank Services 173

- 5.1 Electronic Banking, Checking Accounts, and Check Registers 174
- 5.2 Checking Services and Credit-Card Transactions 184
- 5.3 Bank Statement Reconciliation 189
- Chapter 5 Quick Review 198
- Chapter Terms 198
- Case Study: Banking Activities of a Retailer 200
- Case in Point Summary Exercise: Jackson & Perkins 201
- Chapter 5 Test 203

Chapter 6

Payroll 205

- 6.1 Gross Earnings: Wages and Salaries 206
- 6.2 Gross Earnings: Piecework and Commissions 216
- 6.3 Social Security, Medicare, and Other Taxes 224
- 6.4 Income Tax Withholding 230
- Chapter 6 Quick Review 242
- Chapter Terms 242
- Case Study: Payroll: Finding Your Take-Home Pay 245
- Case in Point Summary Exercise: Payroll at Starbucks 246
- Chapter 6 Test 247

Chapter 7**Mathematics of Buying 249**

- 7.1 Invoices and Trade Discounts 250
- 7.2 Series Discounts and Single Discount Equivalents 260
- 7.3 Cash Discounts: Ordinary Dating Methods 264
- 7.4 Cash Discounts: Other Dating Methods 270
- Chapter 7 Quick Review 277
- Chapter Terms 277
- Case Study: George Foreman 279
- Case in Point Summary Exercise: Discounts at Bed Bath & Beyond 280
- Chapter 7 Test 281

Chapter 8**Mathematics of Selling 283**

- 8.1 Markup on Cost 284
- 8.2 Markup on Selling Price 291
- Supplementary Application Exercises on Markup 299
- 8.3 Markdown 301
- 8.4 Turnover and Valuation of Inventory 307
- Chapter 8 Quick Review 316
- Chapter Terms 316
- Case Study: Markdown: Reducing Prices to Move Merchandise 320
- Case in Point Summary Exercise: Recreational Equipment Inc. (REI) 321
- Chapter 8 Test 322
- Chapters 5–8 Cumulative Review 324

Chapter 9**Simple Interest 327**

- 9.1 Basics of Simple Interest 328
- 9.2 Finding Principal, Rate, and Time 339
- 9.3 Simple Discount Notes 347
- 9.4 Discounting a Note Before Maturity 356
- Supplementary Application Exercises on Simple Interest and Simple Discount 364
- Chapter 9 Quick Review 368
- Chapter Terms 368
- Case Study: Banking in a Global World: How Do Large Banks Make Money? 372
- Case in Point Summary Exercise: Apple, Inc. 373
- Chapter 9 Test 374

Chapter 10**Compound Interest and Inflation 377**

- 10.1 Compound Interest 378
- 10.2 Interest-Bearing Bank Accounts and Inflation 389
- 10.3 Present Value and Future Value 399
- Chapter 10 Quick Review 405

Chapter Terms 405

Case Study: Valuing a Chain of McDonald's Restaurants 407

Case in Point Summary Exercise: Bank of America 408

Chapter 10 Test 409

Chapters 9–10 Cumulative Review 411

Chapter 11**Annuities, Stocks, and Bonds 413**

- 11.1 Annuities and Retirement Accounts 414
- 11.2 Present Value of an Ordinary Annuity 422
- 11.3 Sinking Funds (Finding Annuity Payments) 430
- Supplementary Application Exercises on Annuities and Sinking Funds 438
- 11.4 Stocks and Mutual Funds 440
- 11.5 Bonds 449
- Chapter 11 Quick Review 456
- Chapter Terms 456
- Case Study: Financial Planning 459
- Case in Point Summary Exercise: American River College 460
- Chapter 11 Test 461

Chapter 12**Business and Consumer Loans 463**

- 12.1 Open-End Credit and Charge Cards 464
- 12.2 Installment Loans 475
- 12.3 Early Payoffs of Loans 483
- 12.4 Personal Property Loans 490
- 12.5 Real Estate Loans 498
- Chapter 12 Quick Review 506
- Chapter Terms 506
- Case Study: Consolidating Loans 510
- Case in Point Summary Exercise: Underwater on a Home 512
- Chapter 12 Test 514
- Chapters 11–12 Cumulative Review 516

Chapter 13**Taxes and Insurance 519**

- 13.1 Property Tax 520
- 13.2 Personal Income Tax 527
- 13.3 Fire Insurance 541
- 13.4 Motor-Vehicle Insurance 551
- 13.5 Life Insurance 559
- Chapter 13 Quick Review 565
- Chapter Terms 565
- Case Study: Financial Planning For Property Taxes and Insurance 568
- Case in Point Summary Exercise: Mattel Inc.—Taxes and Insurance 569
- Chapter 13 Test 571

Chapter 14

Depreciation 573

- 14.1 Straight-Line Method 574
- 14.2 Declining-Balance Method 582
- 14.3 Sum-of-the-Year's-Digits Method 589
 - Supplementary Application Exercises on Depreciation 596
- 14.4 Units-of-Production Method 600
- 14.5 Modified Accelerated Cost Recovery System 605
 - Chapter 14 Quick Review 613
 - Chapter Terms 613
 - Case Study: Comparing Depreciation Methods 615
 - Case in Point Summary Exercise: Ford Motor Company 616
 - Chapter 14 Test 617

Chapter 15

Financial Statements and Ratios 619

- 15.1 The Income Statement 620
- 15.2 Analyzing the Income Statement 625
- 15.3 The Balance Sheet 632
- 15.4 Analyzing the Balance Sheet 636
 - Chapter 15 Quick Review 644
 - Chapter Terms 644
 - Case Study: Bicycle Shop 647
 - Case in Point Summary Exercise: Apple, Inc. 649
 - Chapter 15 Test 651

Chapter 16

Business Statistics 653

- 16.1 Frequency Distributions and Graphs 654
- 16.2 Mean, Median, and Mode 665
 - Chapter 16 Quick Review 673
 - Chapter Terms 673
 - Case Study: Watching a Small Business Grow 675
 - Case in Point Summary Exercise: Bobby Flay 676
 - Chapter 16 Test 677

Appendix A

The Metric System A-1

Appendix B

Basic Calculators B-1

Appendix C

Financial Calculators C-1

Appendix D

Exponents and Order of Operations D-1

Appendix E

Graphing Equations E-1

- Answers to Selected Exercises AN-1
- Glossary G-1
- Index I-1
- Photo Credits P-1

Preface

FROM THE AUTHORS

The thirteenth edition of *Business Mathematics* has been revised to improve readability and currency and to motivate students by using interesting examples from business and personal finance. Additional focus has been placed on real-world business applications. A different, well-known company is highlighted at the beginning of each chapter and used throughout that chapter in discussions, examples, exercises, and a case. Each chapter ends with two business application cases that help students integrate the concepts using a business setting. Numerous new graphs, news clippings, and photographs have been added to increase the relevance of the material to the world that students know, and discussion of the recent financial crisis has been added to help students better understand what has happened. The globalization of our society is also emphasized through examples and exercises that highlight foreign countries and international topics.

This text teaches math calculations in the context of business applications. An important goal of the text is to develop students' understanding of both to the point where they can figure out which calculations apply when presented with an unfamiliar situation. In this sense, we seek to develop a level of business "intuition" by having them work through the integrative cases, a wide-range of application exercises, writing and investigative questions, and discussions about current and relevant data. Additionally, we also seek to help students develop intuition related to business by discussing topics such as global supply chains, inventory, the financial crisis, debt, etc. These topics are widely discussed in advanced courses in four year programs at colleges and universities throughout the world.

The new edition reflects the extensive business and teaching experience of the authors, college faculty who have previously worked in and owned businesses. It also incorporates ideas for improvement from reviewers nationwide as well as students who have taken the course. We focus on providing solid, practical, and up-to-date coverage of business mathematics topics beginning with a brief review of basic mathematics, and go on to introduce key business topics, such as bank services, payroll, business discounts and markups, simple and compound interest, stocks and bonds, consumer loans, taxes and insurance, depreciation, financial statements, and business statistics. Two appendices have been added to this edition for those who have requested more algebra and/or who have an interest in graphs.

The traditional concept of learning has evolved based on knowledge that students learn in a variety of ways and that many classes are at least partly taught online or in labs. To support student learning in this multidimensional world, we have developed an outstanding supplemental learning package of print and digital products including the industry-leading MyMathLab. Numerous studies have shown that MyMathLab can greatly increase student learning and retention by presenting material in a variety of formats to suit all types of student learning styles.

Our state-of-the-art supplements package includes revised video lectures, case study videos, an enhanced PowerPoint package, student's solutions manual, an extensive instructor's manual, printed quick reference tables, and a wealth of online resources for instructors and students including MathXL online and MyMathLab. We hope this text and package satisfies all of your classroom needs. Please feel free to contact us with any questions or concerns. Use "Business Math" in the regarding line.

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The Business Mathematics, 13th Edition, Learning System

This textbook has evolved over the years as thousands of students and hundreds of instructors have used the book and told us what works and what doesn't. *Business Mathematics*, 13th edition, Learning System is the result of this process of refinement that informs both the printed textbook and our new MathXL and MyMathLab applications for online. The goal of this textbook is for students to develop the computational skills they will need to be successful in the world of business along with a better understanding of business concepts and situations that require a mathematical solution. Each chapter is set up to teach a math concept and its applications in the following pattern:


1. A **'Case in Point' company profile** introduces the student to a company and a situation that requires math calculations.
2. A **clear explanation** of the math concept is presented, followed by **examples with detailed solutions**.
3. Students immediately apply the math concept to a similar problem in a **Quick-Check problem** to test their understanding.
4. **Solution steps**, detailing how to solve problems, are summarized in a shaded box.
5. **Quick Tips** provide students with helpful tips and cautions.
6. **Business applications** are found in examples, exercises, cases and discussion, and features such as Numbers in the News and newspaper clippings providing business and economic information.
7. **An Exercise Set** follows each section of the book providing a wealth of practice opportunities to develop computational skills. The exercises are paired, graded from simple to more complex, and conclude with numerous titled application word problems. Each type of exercise is preceded with a **Quick Start** worked example to help get students started.
8. **Additional Problem Sets** and **Supplementary Exercises** are embedded in select chapters for topics that students find difficult and typically require additional work.
9. A **Quick Review** section at the end of the chapter presents students with an overview of the math concepts covered in the chapter.
10. Two case studies require students to use math concepts to solve business problems in real companies. The first **Case Study** is a shorter case application, while the second **Case in Point Summary Exercise** revisits the chapter opening company with a more in-depth application. Both cases end with Discussion or Investigate questions that encourage further thinking.
11. Finally, a chapter concluding **Test** allows students to gauge their mastery of all chapter concepts and applications.
12. **Cumulative Review Problem Sets** appear every 2–4 chapters. These problems cover all math concepts covered in the preceding chapters and help students retain math concepts throughout the course.

BUILDING CALCULATOR SKILLS

This text provides the following resources to help students build calculator skills:

Calculator Solutions Calculator solutions, identified with the calculator symbol , appear after selected examples. These solutions show students the keystrokes needed to solve the problem in the Example.

Basic Calculator Instruction in Appendix B presents detailed coverage of basic calculators for professors who allow students to use calculators.

Financial Calculator Instruction in Appendix C reviews the basic functions of financial calculators using present value and future value. The financial calculator solutions are shown in shaded boxes along with the  for some examples in the text.

NEW CONTENT HIGHLIGHTS

Many changes have been made in the 13th edition. Here is a list of the changes by chapter:

- Chapters 1 through 3 have been reworked and several examples have been updated. The figures in Chapter 3 (Percents) related to increase and decrease problems have been modified to improve student learning.
- Chapter 4 (Equations and Formulas) has been updated and significant additional material related to algebra has been added with the addition of Appendix D (Exponents and Order of Operations) and Appendix E (Graphing Equations). Appendix E can be used, in combination with the many figures and charts throughout the book, to improve students' abilities to interpret data.
- Chapter 5 (Bank Services) has been extensively reworked to bring it up-to-date in the continually changing world of banking in a global, wired world. Discussion has been added explaining how electronic banking is a backbone for business. Discussion about how important it is to control costs in business as well as how internet transactions have reduced costs for businesses has been included.
- Chapter 6 (Payroll) has been updated and includes the most recent information related to Social Security, Medicare, and income tax withholding. Figures in the chapter show percent of workers living on the edge due to insufficient savings, the value of higher education, average salaries for various sales careers, and a chart listing the median wage of a wide range of workers by job/career. The history of Social Security and Medicare are outlined. The Case in Point Summary exercise asks students to take on the role of a manager preparing a payroll at a Starbucks.
- Chapter 7: Mathematics of Buying introduces e-commerce and the resulting changes in business operations. A new topic is introduced: the retail supply chain. Students are encouraged to think as managers about invoices and discounts based on the amount purchased or the timing of payments. The importance of controlling costs is emphasized in the chapter and in the case on managing inventory at Bed, Bath and Beyond.
- Chapter 8: Mathematics of Selling is introduced using Recreational Equipment, Inc. (REI) which is one of the premier sporting goods and mountaineering stores in the country. To enhance student understanding of supply chain issues in retail, the discussion on tracking inventory has been expanded and data showing the growth of online retail sales is included. Figures have also been changed to enhance student understanding.
- Chapter 9: Simple Interest has been updated to reflect current interest rates. Rather than just giving formulas and calculations, this chapter was written to help students gain insights about the importance of interest rates in business and life. For example, a graph showing housing starts and interest rates is included along with a discussion of why high interest rates usually result in lower housing starts. Also, an explanation is given about how the government uses interest rates to help control the growth rate of the economy which in turn affects the number of jobs. The company highlighted is Apple, Inc.
- Chapter 10: Compound Interest and Inflation shows the benefits of compounding interest over periods of time. Inflation is defined and examples are included to show the effect of inflation on earning power. Deflation is also defined since it is a topic currently in the news. One of the cases at the end of the chapter describes the serious financial effects of the recent collapse in real estate prices on a home builder.
- Chapter 11: Annuities, Stocks, and Bonds uses both examples and exercises to emphasize the value of long-term saving for students and businesses. It includes descriptions of the basic types of retirement accounts and explains how divorced couples can use annuities for alimony and child support payments. The chapter highlights a recent graduate that works for a community college as he makes choices about the retirement plan offered by his employer. It also discusses stocks and bonds as investments.
- Chapter 12: Business and Consumer Loans now has a greater emphasis on student debt. The sections on Credit Cards, Installment Loans, and Real Estate Loans will be of special interest to students. A discussion of FICO score has been added and tips are given to help students improve their own score which will improve their ability to obtain credit. One of the cases at the end of the chapter shows how a family reduces monthly payments by refinancing. The second case highlights a family that is "under water" on their home, meaning that the debt on the home is greater than its market value.
- In Chapter 13: Taxes and Insurance, additional discussion has been added showing students where tax dollars go and all personal income tax applications have been updated using the most current tax laws. A new figure shows where the government gets its money from and where it goes. All personal income tax applications have been updated using the most current tax laws. The company highlighted in the chapter Mattel Inc., has significant international sales. Discussion has been added showing the effects of the recent financial crisis on the budget in a local school district.
- Chapter 14: Depreciation contains the most recent federal laws and guidelines.
- Chapter 15: Financial Statements and Ratios features Apple, Inc. Recent financial statements from the company are shown so that students can learn based on a company they know and from which they buy products.
- Many of the problems in Chapter 16: Business Statistics have been changed. It includes numerous graphs with data related to business or the economy, including average credit card debt, states with serious budget problems, top tax rates, and average costs of medical treatment. Concepts are introduced throughout the chapter using a deli and highlighted in a case related to cooking show host Bobby Flay in a case at the end of the chapter.

Student and Instructor Supplements

RESOURCES FOR STUDENTS

Classroom Lectures and Case Studies contain a comprehensive lecture for each section of the text, along with case study videos that profile real companies from the in-text Case Studies. These videos are available in MyMathLab.

Student's Solutions Manual This supplement contains the complete, worked-out solutions to all of the odd-numbered exercises in the text. This manual can be ordered alone or packaged with the textbook for an additional cost. ISBN: 0-321-95870-5

RESOURCES FOR INSTRUCTORS

Online Instructor's Solutions Manual (Download only) This supplement contains the complete, worked-out solutions to all of the exercises in the text. Available for download in MyMathLab and the Instructor's Resource Center. ISBN: 0-321-95872-1

Online Instructor's Resource Manual (Download only) contains teaching suggestions; two pretests—one in basic mathematics and one in business mathematics; six different test forms for each chapter (four short answer and two multiple choice); two final examinations; numerous application exercises (test items) for each chapter; answers to all test materials; suggested answers to the writing questions in the text; and a selection of tables from the text. Available for download in MyMathLab and the Instructor's Resource Center. ISBN: 0-321-95871-3

MEDIA RESOURCES

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- Create and assign their own online exercises and import TestGen tests for added flexibility.
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- Take chapter tests in MathXL and receive personalized study plans and/or personalized homework assignments based on their test results.
- Use the study plan and/or the homework to link directly to tutorial exercises for the objectives they need to study.
- Access supplemental animations and video clips directly from selected exercises.

MathXL is available to qualified adopters. For more information, visit our website at www.mathxl.com, or contact your Pearson representative.

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POWERPOINT® LECTURE SLIDES

The PowerPoint Lecture Slides contain coverage of all chapter concepts illustrated with new problems not found in the book and many of the even numbered exercises from the exercise set.

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As an author team, we are committed to providing the best possible text to help instructors teach and students succeed. As we continue to work toward this goal, we would welcome any comments or suggestions you might have via e-mail to gclendenen@yahoo.com. Please use “Business Math” in the regarding line.

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About the Authors

Gary Clendenen received bachelor's and master's degrees in mathematics before going into business for himself in the oil industry. He returned to academia and earned his Ph.D. in Business Management in 1993 and has been a faculty member since then. His business experience includes working as an actuary for an insurance company and owning commercial real estate. He has published papers in numerous refereed journals and does volunteer work with several organizations. His hobbies include long bicycle rides, traveling, and reading on diverse topics such as the history of the Apache Indians of the Southwest, economics, and issues related to potential shortages of energy, water, and minerals. He has two sons and several grandchildren.



Stanley A. Salzman has taught Business Math, Marketing, and Real Estate courses at American River College in Sacramento for 35 years. He says, "Some of my greatest moments in teaching have been seeing the look on the face of a student who understands a business math concept or idea for the first time." Stan and his wife have four children and eight grandchildren. Stan likes outdoor activities, exercising, and collecting antique toy trains.

Charles D. Miller (deceased) was instrumental in writing the early editions of this book as well as several other books. We continue to find inspiration and guidance in his passion for excellence.

Learning Tips for Students



SUCCESS IN BUSINESS MATHEMATICS

This text applies mathematics to solve problems in business. Your success in future business courses and pursuits will be enhanced by the knowledge and skills you will gain in this course. It is very important to realize that your future employer is far more interested in your ability to solve problems than whether you remember a particular formula or how to work one type of problem. So, the goal of this book is both to educate you about business mathematics and importantly to also help you become a better problem solver.

Studying business mathematics is different from studying subjects like English or history. The key to success is *regular practice*. This should not be surprising. After all, can you learn to ski or play a guitar without regular practice? The same is true for learning mathematics. Working problems nearly every day *is the key to becoming successful*. Here are some suggestions to help you succeed in business mathematics.

- 1. Attend class regularly. Try to pay careful attention and take notes.** In particular, write down the problems the instructor works on the board.
- 2. Ask questions in class.** It is not a sign of weakness, but of strength. There are always other students with the same question who are too shy to ask.
- 3. Read the book carefully, maybe twice, and spend time using the online materials.** Studying each topic will help you solve the homework problems. Most exercises are keyed to specific examples or objectives that will explain the procedure for working them.
- 4. Before doing your homework, look at the problems the teacher worked in class.** This will reinforce what you have learned. Many students say, “I understand it perfectly when you do it, but I get stuck when I try to work the problem myself.”
- 5. Read the section and review your notes before starting your homework.** Check your work against the answers in the back of the book. If you get a problem wrong and are unable to understand why, mark that problem and ask your instructor about it. Then practice working additional problems of the same type to reinforce what you have learned.
- 6. Work as neatly as you can using a pencil, and organize your work carefully.** Write your symbols clearly, and make sure the problems are clearly separated from each other. Working neatly will help you to think clearly and also make it easier to review the homework before a test.
- 7. After you complete a homework assignment, look over the text again.** Try to identify the main ideas that are in the lesson. Often they are clearly highlighted or boxed in the text.
- 8. Use the chapter test at the end of each chapter as a practice test.** Work through the problems under test conditions, without referring to the text or the answers until you are finished. You may want to time yourself to see how long it takes you. When you finish, check your answers against those in the back of the book, and study the problems you missed.
- 9. Keep all quizzes and tests that are returned to you, and use them when you study for future tests and the final exam.** These quizzes and tests indicate what concepts your instructor considers to be most important. Be sure to correct any problems on these tests that you missed so you will have the corrected work to study.
- 10. Don't worry if you do not understand a new topic right away.** As you read more about it and work through the problems, you will gain understanding. Each time you review a topic, you will understand it a little better. Few people understand each topic completely right from the start.

Business Mathematics Pretest

This pretest will help you determine your areas of strength and weakness in the business mathematics presented in this book.

- | | | |
|--|---|-----------|
| 1. Round 5.46 to the nearest tenth. | 5. Divide: $35 \overline{)11,032}$ | 1. _____ |
| 2. Round \$.064 to the nearest cent. | | 2. _____ |
| 3. Round \$399.49 to the nearest dollar. | | 3. _____ |
| 4. Multiply: $\begin{array}{r} 7801 \\ \times 1758 \\ \hline \end{array}$ | | 4. _____ |
| 6. Change $8\frac{7}{8}$ to an improper fraction. | | 5. _____ |
| 7. Change $\frac{40}{26}$ to a mixed number. | | 6. _____ |
| 8. Write $\frac{15}{21}$ in lowest terms. | | 7. _____ |
| 9. Add: $\begin{array}{r} \frac{3}{4} \\ \frac{1}{2} \\ + \frac{7}{8} \\ \hline \end{array}$ | 10. Add: $\begin{array}{r} 2\frac{2}{3} \\ 7\frac{1}{4} \\ + 10\frac{1}{2} \\ \hline \end{array}$ | 8. _____ |
| 11. Subtract: $\frac{3}{8} - \frac{7}{24}$ | 12. Subtract: $\begin{array}{r} 83\frac{3}{4} \\ - 21\frac{2}{5} \\ \hline \end{array}$ | 9. _____ |
| 13. Multiply: $\frac{3}{8} \times \frac{3}{5}$ | 14. Divide: $15\frac{1}{4} \div 5\frac{1}{8}$ | 10. _____ |
| 15. Express .625 as a common fraction. | 16. Express $\frac{3}{5}$ as a decimal. | 11. _____ |
| 17. Subtract: $\begin{array}{r} 598.316 \\ - 79.839 \\ \hline \end{array}$ | 18. Multiply: $\begin{array}{r} 30.67 \\ \times 5.39 \\ \hline \end{array}$ | 12. _____ |
| 19. Divide: $1.2 \overline{)309.6}$ | 20. Express $\frac{7}{8}$ as a percent. | 13. _____ |
| 21. Intelnet spent 5.2% of its sales on advertising. If sales amounted to \$864,250, what amount was spent on advertising? | | 14. _____ |
| 22. What annual rate of return is needed to receive \$930 in one year on an investment of \$18,600? | | 15. _____ |
| 23. Home Entertainment Systems offers a 60-inch LCD HDTV at a list price of \$2459 less trade discounts of 20/10. What is the net cost? | | 16. _____ |
| 24. A department head at Old Navy is paid \$16.80 per hour with time and a half for all hours over 40 in a week. Find the employee's gross pay if she worked 43 hours in one week. | | 17. _____ |
| 25. How long will it take an investment of \$12,500 to earn \$125 in interest at 4% per year? (Hint: Use Bankers Interest, i.e., assume 360 day year.) | | 18. _____ |
| 26. An invoice from Collier Windows amounting to \$20,250 is dated October 6 and offers terms of 3/10, n/30. If the invoice is paid on October 14, what amount is due? | | 19. _____ |
| 27. Find the percent of markup based on selling price if some home exercise equipment costing \$1584 is sold for \$1980. | | 20. _____ |
| 28. Find the single discount equivalent to a series discount of 30/20. | | 21. _____ |
| 29. Using the straight-line method of depreciation, find the annual depreciation on a Bobcat loader that has a cost of \$18,750, an estimated life of six years, and a scrap value of \$750. | | 22. _____ |
| 30. Whiting's Oak Furniture sells a dining room set for \$1462.98 after deducting 26% from the original price. Find the original price. | | 23. _____ |
| | | 24. _____ |
| | | 25. _____ |
| | | 26. _____ |
| | | 27. _____ |
| | | 28. _____ |
| | | 29. _____ |
| | | 30. _____ |

Index of Applications

- A**
- Agriculture**
- Alligator hunting, 434
 - Christmas tree farm, 353
 - Commercial fertilizer, 69
 - Commercial fishing boats, 587, 612
 - Egg production, 14
 - Farmland prices, 115
 - Forestry operations, 495
 - Gardening, 55
 - Land area, 19
 - Land sale, 435
 - Landscaping, 487
 - Long-stemmed roses, 300
 - Pecan trees, 482
 - Race horses, 354
 - Trucks & sprayers, 353
- Automotive/Transportation**
- Antilock brakes, 114
 - Automotive, 276
 - Auto parts startup, 148
 - Auto production, 157
 - Auto repair, 55, 140
 - Auto sales, 115
 - Big rims and tires, 34
 - Camaros and Mustangs, 100
 - Company vehicles, 610
 - Diesel tractor, 598
 - Driving distractions, 93
 - Driving tests, 99
 - Fire truck, 436
 - Fuel consumption, 70
 - Garbage truck, 489
 - Harley Davidson, 140
 - Heavy-duty truck, 604
 - Hybrid Toyota, 34
 - International airline, 642
 - Map reading, 156
 - Motorcycles, 526
 - Motorcycle safety, 106
 - Mustang, 147
 - Petroleum transport, 56
 - Police cruisers, 268
 - Shuttle van, 597
 - Ski boat, 481
 - SUV sales, 19
 - Tractor parts, 290
 - Tractor purchase, 362, 481, 495
 - Trailer load, 61
 - Transmission, 56
 - Transmission repair, 642
 - Truck accessories, 306
 - Vehicle depreciation, 580
 - Weighing freight, 19
 - Wheels with bling, 275
 - Yard Maintenance, 20
- B**
- Banking**
- Accumulating \$1,000,000, 434
 - Amortizing a loan, 496
 - Amount due, 276
 - Amount owed the IRS, 240
 - Bad credit history, 354
 - Bank balances, 182
 - Bank loan, 344
 - Benefit increase, 108
 - Budgeting, 108
- Capital improvement, 337
 - Checking account records, 28
 - Check processing, 19
 - Commission with returns, 223
 - Completing check stubs, 181
 - Compounding, 396
 - Corporate finance, 337, 387
 - Corporate savings, 397
 - Credit card balance, 472
 - Credit-card deposits, 187, 188
 - Credit union, 386
 - Current checking balance, 193
 - Emergency cash, 397
 - Financing college expenses, 403
 - Financing construction, 362
 - Finding interest, 148
 - Finding time, 148
 - Home loan, 505
 - Inflation and retirement, 397
 - Inheritance, 149, 397
 - Interest earnings, 345
 - Interest rate, 345
 - International finance, 354, 386, 387
 - Loan amount, 149
 - Loan collateral, 396
 - Loan qualification, 99
 - Loans between banks, 337
 - Loan to an uncle, 148
 - Maturity value, 148
 - Maximizing interest, 387
 - Minority loans, 116
 - Partial invoice payment, 276
 - Partial payment, 487
 - Payment due, 276
 - Penalty on late payment, 345
 - Poor credit, 353
 - Promissory note, 345
 - Putting up collateral, 397
 - Reconciling checking accounts, 194, 195
 - Retirement account, 100, 345
 - Retirement funds, 454
 - Retirement income, 397
 - Retirement planning, 421
 - Salary plus commission, 223
 - Saving for a home, 421
 - Saving for retirement, 344
 - Savings, 148, 386
 - Savings account, 396
 - Short-term savings, 344
 - Student loan, 148
 - Time of deposit, 345, 346, 396
 - Time or rate?, 387
 - United Kingdom, 386
 - Variable-commission payment, 223
 - Writing a will, 448
- Business**
- Abbreviations on invoices, 256–257
 - Advertising expenses, 104, 105
 - Automotive supplies, 299
 - Barge depreciation, 581
 - Battery store, 362
 - Best Buy, 215
 - Book publishing, 663
 - Bridal shop, 147
 - Business expansion, 403
 - Business fixtures, 580
 - Business ownership, 95
 - Business safe, 597
 - Cadillac dealer, 641
 - Calculation gross earnings, 33–34
 - Call center, 20
 - Catering company, 268
 - Chiquita Brands International, 116
 - Clothing store, 146
 - Coffee shop, 629
 - Commercial carpeting, 69
 - Comparing discounts, 263
 - Corporate profits, 92
 - Cost after markdown, 106
 - As of dating, 269
 - Dealer's cost, 114
 - Dental-supply company, 624
 - Discount dates, 276
 - Entrepreneur, E-12
 - Evaluating inventory, 315
 - Expanding manufacturing operations, 403
 - Finding discount dates, 269
 - Flower shop, 629
 - Food inflation, 114
 - Gift shop, 623
 - Grocery chain, 634
 - Grocery store, 429
 - Guitar shop, 629
 - Hotel room costs, 19
 - Ice cream shop, 623
 - Independent bookstore ownership, 612
 - International business, 337
 - International shipments, 139
 - Inventory, 336, 488
 - Inventory purchase, 346
 - Juice company, 641
 - Luxury hotels, 20
 - Managerial earnings, 34
 - New product failure, 94
 - New showroom, 435
 - Offshore drilling, 611
 - Oil profits, 156
 - Opening a restaurant, 495
 - Paint store, 338, 593
 - Paper products manufacturing, 115
 - Partial invoice payment, 275
 - Partnership profits, 156
 - Print shop, 396
 - Product purchases, 10
 - Quality, E-11
 - Retail giants, 14
 - Russian electrical supplies, 268
 - Sewing center, 362
 - Ship building, 139
 - Shopping center, 612
 - Simple discount rate, 354
 - Soft-drink bottling, 599
 - Spray-paint inventory, 314
 - Stock turnover at cost, 314
 - Stock turnover at retail, 314
 - Stock value, 116
 - Using invoices, 255–256
 - Value of a business, 403, 404
 - Walmart supercenter, 525
 - Woman's clothing shop, 156
 - Women in business, 12
- Business equipment**
- Business signage, 597
 - Canning machine, 481
 - Car-wash machinery, 598
 - Ceiling fans, 299
 - Commercial carpet, 595
 - Commercial fishing boats, 587, 612

Commercial freezer, 594
 Communication equipment, 300
 Company vehicles, 610
 Deep fryer, 604
 Dental office furniture, 612
 Depreciating computer equipment, 581
 Depreciating machinery, 581
 Depreciating office furniture, 593
 Double-pane windows, 299
 Drilling rig, 581
 Electronic equipment, 496
 English soccer equipment, 275
 Forklift depreciation, 594
 George Foreman grill, 269
 Hospital equipment, 595
 Industrial forklift, 598
 Jewelry display cases, 597
 Kitchen equipment, 20, 274
 Laboratory equipment, 580
 Machinery depreciation, 579
 Oak desk, 305
 Printer, 495
 Refrigerated display case, 599
 Scuba equipment, 497
 Storage tank, 610
 Surplus-equipment auction, 115
 Woodworking machinery, 596
 X-ray equipment, 435

C

Construction

Airplane hangar, 548
 Apartment owner, 525
 Asphalt crumb, 489
 Cabinet installation, 55, 56
 Commercial building, 139, 436, 548
 Concrete footings, 70
 Construction power tools, 588
 Conveyor system, 587
 Delivering concrete, 62
 Elderly housing, 505
 Excavating machinery, 588
 Financing construction, 362
 Finish carpentry, 68
 Forklift depreciation, 594
 Home construction, 346
 Landscape equipment, 595, 596
 New kitchen, 436
 New roof, 353, 436
 Office complex, 525, 612
 Offshore drilling, 611
 Parking lot fencing, 61
 Perimeter of fencing, 57
 Remodeling, 488
 Road paving, 337
 Rock crusher, 361
 Security fencing, 61
 Stainless steel grill, 263
 Theater renovation, 20
 Triplex, 549
 Warehouse construction, 596
 Weather stripping, 70
 Window installation, 61
 Yacht construction, 640

D

Domestic

Electricity rates, 68
 Home beverage fountains, 258
 Home-value appreciation, 114
 Household lubricant, 100
 Lights out, 106
 Personal budgeting, 99
 Producing crafts, 68
 Tailored clothing, 62

E

Education

College bookstore, 186–187
 College enrollment, 98, 116
 College expenses, 115, 428
 College textbooks, 19, 147
 Exchange program, 139
 High school dropouts, 107
 Paying for college, 428
 Private school equipment, 588
 Saving for college, 436
 Student union, 434
 Textbooks, 290
 University fees, 116
 Vocabulary, 105

Employment/Employee benefits

Aiding disabled employees, 101
 Computer consultant, 487
 Earnings calculation, 68
 Employee net pay, 239
 Employee population base, 98
 Female lawyers, 93
 Guaranteed hourly work, 222
 Heating-company representative, 241
 Hiring, 99
 Insurance office manager, 214
 Job cuts, 104
 Key employee insurance, 564
 Layoff alternative, 107
 Managerial earnings, 34
 Marketing representative, 240
 Nurses, 94
 Nursing, 105
 Office assistant, 214
 Part-time work, 61
 Payroll, 228, 229, 344
 Piecework with overtime, 223
 Retail employment, 214
 Retirement, 421
 River raft manager, 241
 Self-employment, 229, 403
 Starbucks district manager, 240
 Store manager, 215
 Video player, 257
 Women in the military, 104
 Women in the Navy, 93
 Working in China, 158

Entertainment/Sports

Athletic shoes, 315
 Athletic socks, 314–315
 Bowling equipment, 300
 Casino, 353
 Competitive cyclist training, 19
 Dance shoes, 258
 Drums, 299
 DVD rentals, 115
 Eating out, 114
 Elliptical trainer, 305
 Exercycle, 289
 Fishing boat, 19
 Fly-fishing, 299
 Gambling payback, 99
 Gaming, 147
 Golf cart, 299
 Golf clubs, 290
 Home-workout equipment, 298
 Kayak, 305
 Lost overboard, 106
 Motorcyclists, 105
 Mountain bike, 300
 Movie projectors, 489
 Movies, 147
 Musical instruments, 146
 New auditorium, 435
 NINTENDO, 263
 NY Yankees, 93

Parachute jumps, 12
 Piano repair, 315
 Recreation equipment, 597
 Rock concert, 157
 Scuba diving, 434
 Scuba equipment, 497
 Scuba shoppe, 629
 Ski jackets, 289
 Snowboard, 299
 Sports complex, 436
 Sportswear, 300
 Sport T-shirts, 314
 Sprint training, 56
 Summer vacation, 92, E-13
 Super Bowl advertising, 94
 Swimming, 155
 Swimming pool pump, 298
 Table-tennis tables, 290
 Tanning salon, 105
 Theater seating, 597
 Vacation mistakes, 106
 Water skis, 139
 Weight-training books, 290
 Yachts, 641
 Youth soccer, 20

Environment

Earthquake damage, 354
 Effects of global warming, 106
 Flooding, E-10
 Global warming, 156
 Hurricane Katrina, 12
 Sea levels, 156
 Water scarcity, 108
 Winter-wheat planting, 115

F

Family

Alimony, 28
 Child-care payments, 421
 Child support, 100
 Divorce settlement, 403
 Family budget, 94
 Family restaurant, 114
 Family size, 99
 Head of household, 540
 Married, 540
 Saving to buy a home, 108

Food service industry

Bakery, 403
 Beef/turkey cost, 28
 Biscuits, 155
 Cake recipe, 56
 Campus vending machines, 13
 Canadian food products, 275
 Chicken noodle soup, 108
 Coffee shop, 629
 Fast-food restaurants, 595
 Frozen yogurt, 275
 Goat cheese, 482
 Health food, 337
 Hershey Kisses, 13
 Hershey mini chips, 13
 Kitchen island, 258
 McDonald's, E-10
 Pizza, 147, 354
 Restaurant tables, 599
 Sales of health food, 156
 Selling bananas, 298
 Subway sandwiches, 18
 Tiger food, 155
 Wine, 299

G

General interest

Airport improvements, 435
 Antiques, 149, 306

Apparel, 623
 Bar soap, 93
 Bed in a bag, 299
 Beer consumption, 105
 Blouses, 298
 Bracelet, 263
 Crystal from Ireland, 275
 Custom-made jewelry, 290
 Engagement ring, 488
 Fires, 116
 Furniture, 662
 Iceberg volume, 157
 Island area, 157
 Japanese Yen, 157
 Liquid fertilizer, 258
 Making jewelry, 70, 362
 Man's best friend, 99
 Native-American jewelry, 57
 Population forecasts, 107
 Rare stamps, 435
 Responder backpack, 289
 Restaurant tips, 28
 Sewer drain service, 595
 Shampoo ingredients, 100
 Social Security, 429
 Songbird migration, 157

G
 Government
 American Chiropractic Association, 106
 Biker helmet laws, 107
 Criminal justice, 338
 Disaster relief, 428
 Gross national product, 12
 Injury lawsuit, 428
 Law enforcement, 344
 Salvation Army, 12
 Salvation army loss, 549
 Total World War II veterans, 19
 U.S. Paper money, 35
 U.S. Patent recipients, 109
 Voter registration, 99
 War deaths, 663
 World War II Veterans, 19

H
 Healthcare
 Bad medicine, 74
 Blood-alcohol levels, 109
 Blood cells, 155
 Blood-cholesterol levels, 100
 Calories from fat, 100
 Cone zone deaths, 116
 Criminology lab, 214
 Dental office furniture, 612
 Dispensing eye drops, 70
 Flu pandemic of 1918, 100
 Gambling with health, 74
 Health food, 337
 Health in a machine, 108
 Hospital equipment, 595
 Medicine dose, 35
 Motor Vehicle Accidents, 12
 Overweight, 93
 Oxygen supply, 641
 Physically impaired, 20
 Sick pet, 101
 Side-impact collisions, 108
 Smoking and cancer, 74
 Smoking and lung disease, 93
 Smoking or nonsmoking, 99
 Social Security and Medicare, 228, 229
 Weight-training equipment, 586

I
 Insurance
 Adult auto insurance, 557
 Bodily injury insurance, 557

Coinsured fire loss, 549
 Fire insurance premium, 548
 Fire loss, 548
 Gift-shop fire loss, 549
 Industrial building insurance, 548
 Insurance company payment, 558
 Key employee insurance, 564
 Life insurance, 564
 Major fire loss, 549
 Medical expenses and property damage, 558
 Multiple carriers, 549
 Partial coverage, 549, 550
 20-Pay life policy, 564
 Premium factors, 564
 Property insurance, 100
 Universal life insurance, 564
 Whole life insurance, 564
 Youthful-operator auto insurance, 557
 Youthful operator—no driver's training, 557

R
 Real estate
 Home ownership, 98
 Home prices, 107
 Real estate commissions, 94
 Real estate development, 155
 Real estate fees, 34
 Residential rental property, 611

S
 Sales/Marketing
 Auto purchase, 481
 Auto sales, 115
 Auto sales in China, 94
 Boat purchase, 353
 Computer sales, E-13
 Condominium purchase, 505
 Consumer internet sales, 95
 Crayon sales, 12
 Deli sales, 114
 Department sales, 10
 Determining purchasing power, 397
 Educational sales, 240
 Firewood sale, 70
 Hardware purchase, 258
 Home purchase, 505
 Hot tub purchase, 472
 Inside sales, 214
 iPad sales, 13
 iPhone discount, 106
 Jell-O sales, 12
 Jetson aircraft sales, 635
 Monthly sales, E-11
 National home sales, 115
 Nissan sales, 140
 Nursing-care purchases, 257
 Pottery-shop sales, 298
 Purchase of T-bills, 354, 363
 Real estate fees, 34
 Recreation equipment rental, 13
 Refrigerator purchase, 481
 River-raft sales, 298
 Sales of health food, 156
 Selling a restaurant, 428
 Selling bananas, 298
 Soda sales, 139
 Subway sales, 27
 Telemarketing teamwork, 13
 Ticket sales, 155
 Total cost, 94
 Total sales, 108
 Tractor purchase, 362, 481, 495
 Travel-agency sales, 240
 Tripod purchase, 258
 Van purchase, 428
 Vegetable sales, 140
 Wholesale auto parts, 258

Science/Technology
 Apple, Inc., E-11
 Canning machine, 481
 Carpet-cleaning equipment, 587
 Ceiling fans, 299
 Cell phones, 353, E-12
 Chip fabrication, 481
 Communication equipment, 588
 Computer chips, 147
 Computer replacement, 428
 Computer system, 481
 Construction power tools, 588
 Conveyor system, 587
 Copy machines, 596
 Device assembly, 55
 Digital camera, 94
 Digital thermometers, 299
 Electric guitar, 480
 Electronic analyzer, 587
 Facebook users, 115
 Fiber optics, 259
 Flash drive, 300
 Global Positioning Systems (GPS), 263, 275, 305
 Graphic arts, 258
 iPad, 263
 Laptops, 345, 612
 Lawn-mower, 345, E-13
 Measuring brass trim, 61
 Metal lathe, 480
 Notebook, 19
 Outdoor lighting, 290
 Personal organizers, 596
 Playset, 480
 Printing, 489
 Refrigerators, 146
 Smart phones, 496, E-14
 Sound system, 139
 Studio sound system, 586
 Surveillance cameras, 488
 Video equipment, 598
 Web design, 337, 353, 489
 Wind energy, 105
 Wind turbine, 594

Stocks/Investments
 Bond fund, 454, 455
 Bond purchase, 454
 CDS or global stocks, 448
 Fixed rate or stocks, 448
 Investing in bonds, 344
 Investment, 386, 387
 Investment decision, 386
 Mutual fund investing, 421
 Stock price, E-12
 Stock purchase, 448
 T-bill and stock investing, 421
 Trade-discount comparison, 258

T
 Taxes
 Commercial property tax, 525
 Comparing property tax rates, 526
 Federal withholding tax, 238
 Gasoline taxes, 93
 Income tax payment, 353
 Married—income tax, 539, 540
 Penalty on unpaid income tax, 338
 Penalty on unpaid property tax, 337
 Real estate taxes, 525
 Sales tax, 93, 114
 Sales-tax computation, 94
 Single—income tax, 539
 State withholding tax, 238
 Taxes on home, 526
 Top tax rates, 664

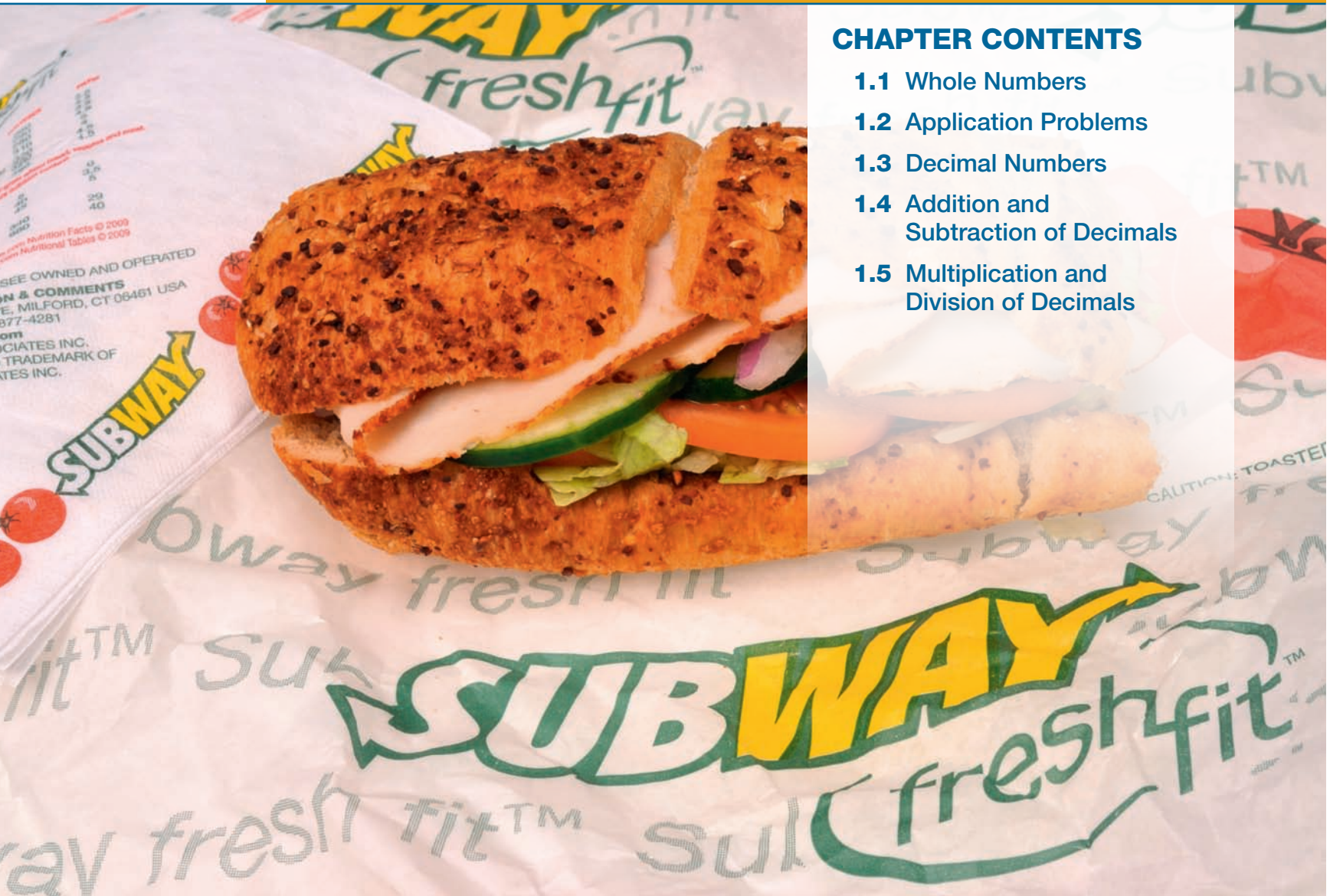
Business Mathematics

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Whole Numbers and Decimals

CHAPTER CONTENTS

- 1.1 Whole Numbers
- 1.2 Application Problems
- 1.3 Decimal Numbers
- 1.4 Addition and Subtraction of Decimals
- 1.5 Multiplication and Division of Decimals



CASE IN POINT

JESSICA FERNANDEZ worked part time for SUBWAY when taking classes at a local community college, but she is now a manager that oversees 18 employees. She looks for employees that have a

good work ethic, are honest and friendly, and who can work with numbers. She uses numbers daily to schedule employees, compute sales, figure sales taxes, complete the payroll, and order inventory.

This text will improve your ability to work with numbers which is important! It also teaches you important concepts that relate to your personal life (debt, savings, investment, home mortgages, insurance, and taxes) and the workplace (markup, markdown, bank services, pay-roll, and simple interest). You will use the concepts covered in this book throughout your life.

1.1 Whole Numbers

OBJECTIVES

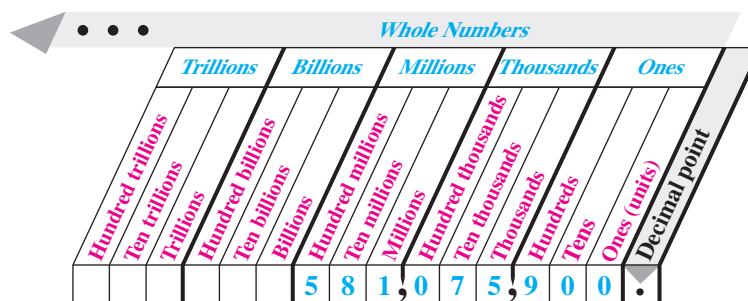
- 1 Define whole numbers.
- 2 Round whole numbers.
- 3 Add whole numbers.
- 4 Round numbers to estimate an answer.
- 5 Subtract whole numbers.
- 6 Multiply whole numbers.
- 7 Multiply by omitting zeros.
- 8 Divide whole numbers.



CASE IN POINT To improve the efficiency of workers at the SUBWAY store she manages, Jessica Fernandez cross-trains each employee so that she can do several tasks, including food preparation, cleanup, and operating the cash register. After watching an employee give a customer too much change for a second time, a frustrated Jessica Fernandez decided that any new hire must pass a basic math test.

OBJECTIVE 1 Define whole numbers. The **decimal system** uses the ten one-place **digits**: 0, 1, 2, 3, 4, 5, 6, 7, 8, and 9. Combinations of these digits represent any number needed. The starting point of this system is the **decimal point** (.). This section considers only the numbers made up of digits to the left of the decimal point—the **whole numbers**. The following diagram names the first fifteen places held by the digits to the left of the decimal point.

A researcher estimated that 581,075,900 smart phones will be sold in 2015. Use a **comma** to work with numbers this large. Starting at the decimal place and moving to the left, place a comma between each group of three digits. Although commas are always used when writing numbers, they are not shown on some calculators. Commas are not required for numbers with four digits such as 8475.



The number 581,075,900 is read as

five hundred eighty-one million, seventy-five thousand, nine hundred.

Notice that the word “and” is not used with whole numbers. The word “and” is used for the decimal place, as discussed in Section 1.3.

Expressing Whole Numbers in Words

EXAMPLE 1

Write the following numbers in words.

- (a) 7835 (b) 111,356,075 (c) 17,000,017,000

SOLUTION

- (a) seven thousand, eight hundred thirty-five
 (b) one hundred eleven million, three hundred fifty-six thousand, seventy-five
 (c) seventeen billion, seventeen thousand

Quick TIP

Do not use the word “and” when reading or writing a whole number.

QUICK CHECK 1

At one point in 2013, the national debt of the United States was \$16,810,680,391,540. Write the number in words.

OBJECTIVE 2 Round whole numbers. Business applications often require **rounding** numbers. For example, money amounts are often rounded to the nearest thousand or million dollars. Use these steps to **round whole numbers**.

Rounding Whole Numbers

- Step 1** Locate the **place** to which the number is to be rounded. Draw a line under that place.
- Step 2** If the first digit to the *right* of the underlined place is **5 or more, increase** the digit in the place to which you are rounding by 1.
If the digit is **4 or less, do not change**.
- Step 3** **Change** all digits to the right of the underlined digit to zeros.

Rounding Whole Numbers**EXAMPLE
2**

Round each number as indicated.

- (a) 579 to nearest ten
 (b) 34,127 to nearest thousand
 (c) 475,871 to the nearest ten thousand
 (d) 79,625 to nearest thousand

SOLUTION

- (a) **Step 1** Locate the tens place and underline.

$$\begin{array}{r} 579 \\ \hline \end{array}$$

↑ **Round to this place.**

Step 2 The first digit to the right of the underlined digit is 9, which is greater than 5. Therefore, increase the digit in the tens place from 7 to 8.

Step 3 Change all digits to the right of the tens place to zero. In other words, change the 9 in the ones place to a zero.

579 rounded to the nearest ten is 580.

- (b) **Step 1** Locate the thousands place and underline. $34,127$

Step 2 Since the digit to the right of the thousands place is 1 (less than 5), do not change the 4 in the thousands place.

Step 3 Change all digits to the right of the thousands place to zeros.

34,127 rounded to the nearest thousand is 34,000

- (c) **Step 1** Locate the ten thousands place and underline. $475,871$

Step 2 Since the digit to the right of the ten thousands place is 5, which falls in the category of 5 or more, increase the 7 to an 8.

Step 3 Change all digits to the right of the tens thousands place to zeros: **480,000**

- (d) **Step 1** Locate the thousands place and underline. $79,625$

Step 2 The number to the right of the underlined number 9 above is 5, which falls in the 5 or more category. Thus, increase the 9 by 1 to 10. Place a 0 in the thousands place and carry 1 to the ten thousands place changing the 7 to an 8.

Step 3 Change all digits to the right of the thousands place to zeros: **80,000**

Quick TIP

When rounding a number, look at the first digit to the right of the digit being rounded. Do not look beyond this digit.

QUICK CHECK 2

Round each number.

- (a) 653,781 to the nearest ten thousand (b) 6,578,321 to the nearest million
 (c) 499,100 to the nearest thousand (d) 499,100 to the nearest hundred thousand

We will now review four basic **operations** with whole numbers: **addition, subtraction, multiplication, and division.**

OBJECTIVE 3 Add whole numbers. In **addition**, the numbers being added are **addends**, and the answer is the **sum**, or **total**, or **amount**.

$$\begin{array}{r} 8 \quad \text{addend} \\ + 9 \quad \text{addend} \\ \hline 17 \quad \text{sum (answer)} \end{array}$$

Add numbers by arranging them in a column with units above units, tens above tens, hundreds above hundreds, thousands above thousands, and so on. Use the decimal point as a reference for arranging the numbers. If a number does not include a decimal point, the decimal point is assumed to be at the far right. For example, $85 = 85.$ and $527 = 527.$

Adding with Checking

EXAMPLE
3

To find the one-day total amount of purchases at the SUBWAY store, manager Jessica Fernandez needed to add the following amounts.

Quick TIP

Always be sure to check your work.

$$\begin{array}{r}
 \text{\$4028} \\
 \$738 \\
 63 \\
 125 \\
 2617 \\
 + 485 \\
 \hline
 \$4028
 \end{array}$$

First, add down the columns

Then, check by adding up.

Adding from the top down results in an answer of \$4028. Check for accuracy by adding again—this time from the bottom up. If the answers are the same, the sum is probably correct. If the answers are different, there is an error in either adding down or adding up, and the problem should be reworked. Both answers agree in this example, so the sum is correct.

QUICK CHECK 3

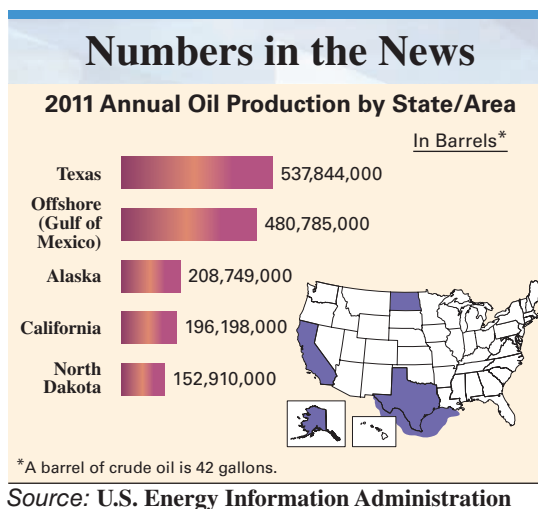
Find the total of the following expenses: $\$2805 + \$871 + \$28 + \$169 + \$1196$

OBJECTIVE 4 Round numbers to estimate an answer. Answers can be quickly estimated using **front-end rounding**. This requires the first number to be rounded and all the following digits to be changed to zero. Only one nonzero digit remains.

Using Front-end Rounding to Estimate an Answer

EXAMPLE
4

The graphic shows the top oil producing areas in the U.S. Notice that a lot of oil is produced offshore in the Gulf of Mexico. Apply front-end rounding to estimate total oil production from these areas.



Quick TIP

In front-end rounding, only one nonzero digit (first digit) remains. All digits to the right are zeros.

SOLUTION

| | Actual | → | Front-end Rounded |
|-----------------|-------------|---|------------------------------|
| Texas | 537,844,000 | → | 500,000,000 |
| Offshore (Gulf) | 480,785,000 | → | 500,000,000 |
| Alaska | 208,749,000 | → | 200,000,000 |
| California | 196,198,000 | → | 200,000,000 |
| North Dakota | 152,910,000 | → | 200,000,000 |
| Estimated Total | | | 1,600,000,000 barrels of oil |

Oil consumption in the U.S. is about 7,000,000,000 barrels. The U.S. must buy the difference between what is consumed and what is produced in the U.S. It buys oil from Canada, Saudi Arabia and other oil exporting nations.

QUICK CHECK 4

Use front-end rounding to estimate the total of the following numbers.

621,150; 38,400; 9682; 27,451; 435,620

OBJECTIVE 5 Subtract whole numbers. A subtraction problem is set up much like an addition problem. The top number is the **minuend**, the number being subtracted is the **subtrahend**, and the answer is the **difference**.

$$\begin{array}{r} 23 \text{ minuend} \\ - 7 \text{ subtrahend} \\ \hline 16 \text{ difference} \end{array}$$

Subtract one number from another by placing the subtrahend directly under the minuend with columns aligned. Begin the subtraction from the right-most column. When a digit in the subtrahend is *larger* than the corresponding digit in the minuend, **borrow** as shown in the next example.

Subtracting with Borrowing

EXAMPLE 5

Subtract 2894 SUBWAY drink cups from 3783 SUBWAY drink cups in inventory. First, write the problem as follows.



$$\begin{array}{r} 3783 \\ - 2894 \\ \hline \end{array}$$

In the ones (units) column, subtract 4 from 3 by borrowing a 1 from the tens column in the minuend to get 1 ten + 3, or 13, in the units column with 7 now in the tens column. Then subtract 4 from 13 for a result of 9. Complete the subtraction as follows.

$$\begin{array}{r} 2 \ 16 \ 17 \ 13 \\ 3 \ 7 \ 8 \ 3 \\ - 2 \ 8 \ 9 \ 4 \\ \hline 8 \ 8 \ 9 \end{array} \text{ drink cups}$$

In this example, the tens are borrowed from the hundreds column, and the hundreds are borrowed from the thousands column.

QUICK CHECK 5

Subtract 7832 customers from 9511 customers.

Check the answer to a subtraction problem by adding the answer (difference) to the subtrahend. The result should equal the minuend.

Subtracting with Checking

EXAMPLE 6

Subtract 1635 from 5383 and check the answer.

Quick TIP

Do not change the order of the numbers when subtracting. For example, (9 - 5) is not the same thing as (5 - 9).

| | | | |
|------------------------------|--|--|--|
| | Problem | | Check |
| Problem (subtract down) ↓ | $\begin{array}{r} 5383 \text{ minuend} \\ - 1635 \text{ subtrahend} \\ \hline 3748 \text{ difference} \end{array}$ | | $\begin{array}{r} 5383 \\ + 1635 \\ \hline 3748 \end{array}$ |
| | | | ↑ This result should equal the minuend. Check (add up) |

QUICK CHECK 6

Subtract 2374 from 4165, and check the answer.

OBJECTIVE 6 Multiply whole numbers. Multiplication is actually a quick method of addition. For example, 3×4 can be found by adding 3 a total of 4 times, since 3×4 means $3 + 3 + 3 + 3 = 12$. However, it is not practical to use the addition method for large numbers. For example, 103×92 would be found by adding 103 a total of 92 times. Instead, find

Quick TIP

It is okay to change the order when multiplying two numbers. For example, $8 \cdot 5 = 5 \cdot 8$.

this result with multiplication. The multiplication of 103 by 92 can be written in any of the following ways:

$$103 \times 92 = 103 \cdot 92 = 103 \cdot 92 = (103)(92)$$

The number being multiplied is the **multiplicand**, the number doing the multiplying is the **multiplier**, and the answer is the **product**.

$$\begin{array}{r} 3 \text{ multiplicand} \\ \times 4 \text{ multiplier} \\ \hline 12 \text{ product} \end{array}$$

When the multiplier contains more than one digit, **partial products** must be used, as in the next example, which shows the product of 25 and 34.

Multiplying Whole Numbers**EXAMPLE 7**

Multiply 25×34 by first multiplying 25 by the 4 in the ones place as shown in Step 1. Then multiply 25 by 3 in the tens place as shown in Step 2, before adding to find the answer in Step 3.



| Problem | Step 1 | Step 2 | Step 3 | |
|--|--|--|--|--|
| $\begin{array}{r} 25 \\ \times 34 \\ \hline \end{array}$ | $\begin{array}{r} 25 \\ \times 34 \\ \hline 100 \end{array}$ | $\begin{array}{r} 25 \\ \times 34 \\ \hline 100 \\ 75 \end{array}$ | $\begin{array}{r} 25 \\ \times 34 \\ \hline 100 \\ + 75 \\ \hline 850 \end{array}$ | <p>multiplicand</p> <p>multiplier</p> <p>partial product (25×4)</p> <p>partial product (25×3)</p> <p>product</p> |

Step 1 Multiply 25 by 4 and write 100 aligning ones places.

Step 2 Multiply 25 by 3 and write 75 one position to the left since 3 is in the tens place. The 5 in 75 will be in the ten's place.

Step 3 Add the two partial products to get the answer.

QUICK CHECK 7

Multiply 18 telemarketers by 36 phone calls per telemarketer per hour to estimate the number of calls made in one hour.

OBJECTIVE 7 Multiply by omitting zeros. If the multiplier or multiplicand end in zero, first omit any zeros at the right of the numbers and then replace omitted zeros at the right of the final answer. For example, find the product of 240 and 13 as follows.

$$\begin{array}{r} 24\cancel{0} \\ \times 13 \\ \hline 72 \\ 24 \\ \hline 3120 \end{array}$$

Omit the zero in the calculation.

Replace the omitted zero at the right of 312 for a final answer (product) of 3120.

Multiplying, Omitting Zeros**EXAMPLE 8**

In the following multiplication problems, omit zeros in the calculation and then replace omitted zeros to obtain the product.

| | |
|--|--|
| <p>(a) $\begin{array}{r} 150 \\ \times 70 \\ \hline \end{array}$ $\begin{array}{r} 15 \\ \times 7 \\ \hline 105 \end{array}$</p> <p style="margin-left: 100px;">← omit zeros</p> <p style="margin-left: 100px;">← attach 2 zeros</p> <p style="margin-left: 100px;">← answer</p> <p style="margin-left: 100px;">10,500</p> | <p>(b) $\begin{array}{r} 300 \\ \times 90 \\ \hline \end{array}$ $\begin{array}{r} 3 \\ \times 9 \\ \hline 27 \end{array}$</p> <p style="margin-left: 100px;">← omit zeros</p> <p style="margin-left: 100px;">← attach 3 zeros</p> <p style="margin-left: 100px;">← answer</p> <p style="margin-left: 100px;">27,000</p> |
|--|--|

QUICK CHECK 8

Multiply 400 by 50. Omit zeros in the calculation and replace them in the product.

Quick TIP

A shortcut for multiplying by 10, 100, 1000, and so on is to just attach the number of zeros to the number being multiplied. For example,

$$\begin{array}{l} 33 \times 10 = 33 \text{ and } 1 \text{ zero} = 330 \\ 56 \times 100 = 56 \text{ and } 2 \text{ zeros} = 5600 \\ 732 \times 1000 = 732 \text{ and } 3 \text{ zeros} = 732,000 \end{array}$$

OBJECTIVE 8 Divide whole numbers. The **dividend** is the number being divided, the **divisor** is the number doing the dividing, and the **quotient** is the answer. **Division** is indicated in any of the following ways.

$$\begin{array}{l} 15 \div 5 = 3 \\ \text{dividend} \quad \text{divisor} \quad \text{quotient} \end{array} \qquad \begin{array}{l} 3 \text{ quotient} \\ \text{divisor} \quad 5 \overline{)15} \quad \text{dividend} \end{array}$$

$$\begin{array}{l} \text{dividend} \\ \text{divisor} \end{array} \quad \frac{15}{5} = 3 \text{ quotient}$$

Dividing Whole Numbers**EXAMPLE 9**

To divide 1095 baseball cards evenly among 73 collectors, divide 1095 by 73 as follows.

$$73 \overline{)1095}$$

Since 73 is larger than 1 or 10, but smaller than 109, begin by dividing 73 into 109. There is one 73 in 109, so place 1 *over the digit 9* in the dividend as shown. Then multiply 1 and 73.

$$\begin{array}{r} 1 \\ 73 \overline{)1095} \\ \underline{73} \quad 1 \times 73 = 73 \\ 36 \end{array}$$

Subtract 73 from 109 to get 36. The next step is to bring down the 5 from the dividend, placing it next to the remainder 36. This gives the number 365. The divisor, 73, is then divided into 365 with a result of 5, which is placed to the right of the 1 in the quotient. Since 73 divides into 365 exactly 5 times, the final answer (quotient) is exactly 15.

$$\begin{array}{r} 15 \\ 73 \overline{)1095} \\ \underline{73} \\ 365 \\ \underline{365} \\ 0 \end{array}$$

Check the answer by multiplying.

$$\begin{array}{r} 73 \\ \times 15 \\ \hline 365 \\ 73 \\ \hline 1095 \end{array}$$

Since this is the original number of cards, the answer checks.

**QUICK CHECK 9**

Divide \$7506 evenly among 18 winners. How much will each receive?

Often, the divisor does not divide evenly into the dividend, leaving a remainder. The next example shows that remainders can be also be written using fractions or decimals. Fractions and decimals are covered in the next chapter. For now, write a remainder of 6 as R6.

Dividing with a Remainder in the Answer

EXAMPLE 10

Divide 126 by 24. Express the remainder in each of the three forms.

| Remainder | Fraction | Decimal |
|---|---|--|
| $5 \text{ R}6$ | $5 \frac{6}{24}$ | 5.25 |
| $\begin{array}{r} 24 \overline{)126} \\ \underline{120} \\ 6 \end{array}$ | $\begin{array}{r} 24 \overline{)126} \\ \underline{120} \\ 6 \end{array}$ | $\begin{array}{r} 24 \overline{)126.00} \\ \underline{120} \\ 60 \\ \underline{48} \\ 120 \\ \underline{120} \\ 0 \end{array}$ |

QUICK CHECK 10

Divide 19 by 5.

If a divisor contains zeros at the far right, first drop the zeros in the divisor and then move the decimal point in the dividend the same number of places to the left as there were zeros dropped from the divisor.

$$\begin{array}{r} 900 \overline{)108,000} \\ \text{Drop 2 zeros.} \end{array} \quad \text{becomes} \quad \begin{array}{r} 9 \overline{)1080} \\ \text{Move decimal point} \\ \text{2 places left.} \end{array}$$

Dropping Zeros to Divide

EXAMPLE 11

To divide 108,000 by 900, first drop two zeros from each number. Then divide.

$$\begin{array}{r} 120 \\ 9 \overline{)1080} \\ \underline{9} \\ 18 \\ \underline{18} \\ 0 \end{array}$$

Check Answer

$$\begin{array}{r} 120 \\ \times 9 \\ \hline 1080 \end{array} \text{ so the division is correct}$$

You must change 9 back to 900 and multiply by 120 to get the original dividend of 108,000.

Therefore, $108,000 \div 900 = 120$.

Quick TIP

After dropping zeros and dividing, do not add trailing zeros back to the answer.

QUICK CHECK 11

First drop zeros, and then divide $19,200 \div 300$.

Checking Division Problems with Remainders

EXAMPLE 12

In a division problem, check the answer by multiplying the quotient (answer) and the divisor. Then add any remainder. If the result is not the same as the dividend, an error exists and the problem should be reworked. Check the following division problems.

(a)
$$\begin{array}{r} 37 \text{ R}3 \\ 716 \overline{)26,495} \\ \underline{2148} \\ 5015 \\ \underline{5012} \\ 3 \end{array} \text{ remainder}$$

(b)
$$\begin{array}{r} 85 \text{ R}6 \\ 418 \overline{)35,536} \\ \underline{3344} \\ 2096 \\ \underline{2090} \\ 6 \end{array} \text{ remainder}$$

Quick TIP

Be sure to add the remainder to the product when checking a division problems with a remainder.

SOLUTION

$$\begin{array}{r}
 \text{(a)} \quad 716 \\
 \times \quad 37 \\
 \hline
 5012 \\
 2148 \\
 \hline
 26,492 \\
 + \quad 3 \\
 \hline
 26,495 \quad \text{add remainder} \\
 \quad \text{correct}
 \end{array}$$

$$\begin{array}{r}
 \text{(b)} \quad 418 \\
 \times \quad 85 \\
 \hline
 2090 \\
 3344 \\
 \hline
 35,530 \\
 + \quad 6 \\
 \hline
 35,536 \quad \text{add remainder} \\
 \quad \text{correct}
 \end{array}$$

QUICK CHECK 12

Divide 9897 by 215. Check the answer by multiplying the quotient (answer) by the divisor.

1.1 Exercises

MyMathLab®

The shaded sections below contain solutions to help you get a **QUICK START** on the various types of exercises.

Write the following numbers in words. (See Example 1.)

1. 7040 seven thousand, forty

2. 5310 five thousand, three hundred ten

3. 37,901 _____

4. 725,069 _____

5. 4,650,015 _____

6. 3,765,041,000 _____

Round each of the following numbers first to the nearest ten, then to the nearest hundred, and finally to the nearest thousand. Go back to the **original number** each time before rounding to the next position. (See Example 2.)

| | Nearest Ten | Nearest Hundred | Nearest Thousand |
|-------------|-------------|-----------------|------------------|
| 7. 2065 | <u>2070</u> | <u>2100</u> | <u>2000</u> |
| 8. 8385 | <u>8390</u> | <u>8400</u> | <u>8000</u> |
| 9. 46,231 | _____ | _____ | _____ |
| 10. 55,175 | _____ | _____ | _____ |
| 11. 106,054 | _____ | _____ | _____ |
| 12. 359,874 | _____ | _____ | _____ |

13. Explain the three steps needed to round a number when the digit to the right of the place to which you are rounding is 5 or more. (See Objective 2.)

14. Explain the three steps needed to round a number when the digit to the right of the place to which you are rounding is 4 or less. (See Objective 2.)