

MATH E-3

Assignment 3 Solutions

TOTAL POSSIBLE POINTS = 70

PLEASE BE NEAT, SHOW YOUR WORK FOR PARTIAL OR FULL CREDIT.

Solve these problems:

1. 30% of 570

$$570 * .30 = \mathbf{171}$$

1 point

2. 3.5% of 900

1 point

$$900 * .035 = \mathbf{31.5}$$

3. What % of 840 is 150?

2 points

$$\frac{X}{100} * 840 = 150$$

Multiply both sides by 100

$$840X = 15000$$

Divide both sides by 840

$$\frac{15000}{840} = \mathbf{17.9}; \text{ so solution is } \mathbf{17.9\%}$$

4. \$93.50 is 30% of what?

2 points

$$93.50 = .30X$$

$$93.50 \div .30 = \mathbf{\$311.67}$$

5. What is 280 increased by 15%?

2 points

$$280 * 1.15 = \mathbf{322}$$

6. I heard on the news a while back that Macy's was cutting 2000 jobs, or 8% of its total workforce. What was the size of its work force before the cuts? 2 points

$$.08X = 2000$$

Divide both sides by .08

$$X = \frac{2000}{.08}$$

$$X = 25,000$$

Before the cut, Macy's had 25,000 jobs.

For Problem 7, rewrite as a decimal, and for 8 and 9, solve the problem and rewrite as decimals:

7. 60% = **.60** 1 point

8. 4/5 of 1% = **.008** 1 point

9. 4% of 50% = **.02** 1 point

10. A store offers a 15% discount on clothing; then a week later it offers another 35% discount. What is the total discount? Is it 50%? Explain. (Since no actual prices are given, you can "make up" a price to use in your calculations). **ROUND TO 2 DECIMAL PLACES.** 4 points

Use a convenient amount. I used \$200.

$$\text{Original amount } \$200 * .15 = \$30$$

$$\text{New price: } \$200 - 30 = \$170$$

New price: $\$170 * .35 = \59.50

Final price: $\$170 - \$59.50 = \$110.50$

Total discount: $\$200 - \$110.50 = \$89.50$

% discount: $\$89.50 \div \$200 = .4475$

The total discount is 44.75%

The total discount is not 50% because the second discount was not taken on the original amount, but on the smaller amount that resulted from the first discount.

11. Convert these numbers in the chart below to a fraction, decimal, or percent. 20 points

| Fraction | Decimal | Percent |
|----------|-------------|-----------|
| 1 | 1.0 or 1.00 | 100% |
| 1/2 | .50 | 50% |
| 1/3 | .33... | 33.33...% |
| 1/4 | .25 | 25% |
| 2/3 | .66... | 66.66...% |
| 1/8 | .125 | 12.5% |
| 1/10 | .10 | 10% |
| 6/10 | .60 | 60% |
| 1/1000 | .001 | .1% |
| 99/100 | .99 | 99% |

Use this data for problems 12 through 16: Give your answers as percentages rounded to TWO decimal places.

Here are some figures relating to the Standard & Poor's 500 index from this past year. I got the data from this website, which plots charts as well as giving you numbers for a particular date:

<http://moneycentral.msn.com>

| October 1, 2012 | January 18, 2013 | April 26, 2013 | July 3, 2013 |
|-----------------|------------------|----------------|--------------|
| 1428.59 | 1485.98 | 1582.24 | 1615.41 |

Clearly this has been a good time for the S&P 500! Do the following calculations:

12. Find the percent increase for each of the periods October to January, January to April, April to July. Which is the biggest percent increase? Is it also the biggest *amount* increase? Give your answers as percentages **ROUNDED TO TWO D.P.** 7 points

October to January:

$$\frac{1485.98 - 1428.59}{1428.59} = \frac{57.39}{1428.59} = .040172478 = 4.0172478\% = \mathbf{4.02\%}$$

January to April:

$$\frac{1582.24 - 1485.98}{1485.98} = \frac{96.26}{1485.98} = .064778799 = 6.4778799\% = \mathbf{6.48\%}$$

April to July:

$$\frac{1615.41 - 1582.24}{1582.24} = \frac{33.17}{1582.24} = .02096395 = 2.096395\% = \mathbf{2.10\%}$$

January to April is the biggest dollar amount increase and the biggest percent increase.

13. Calculate the percent increase going directly from October 1, 2012 to July 2013 (i.e. from 1428.59 to 1615.41). 2 points

$$\frac{1615.41 - 1428.59}{1428.59} = \frac{186.82}{1428.59} = .1307723 = 13.07723\% = \mathbf{13.08\%}$$

14. Is sum of the three percentages in number 12 the same percentage as the one percentage calculated in the question 13? Why or why not? 2 points

Sum of three separate increases: $4.02 + 6.48 + 2.10 = \mathbf{12.6\%}$
Calculation above = 13.08%

No, they are not the same. This is because when we calculate each individual increase, we are using **different bases (denominators)** to calculate the change from period to period than we use to calculate the change for the whole period.

15. If hypothetically the S & P were to decrease from the July 2013 figure back down to the original figure (i.e. from 1615.41 down to 1428.59), what percent decrease would this be? Is it the same as your answer for problem 13 (not counting the negative sign)? Explain. 3 points

$$\frac{1428.59 - 1615.41}{1615.41} = \frac{-186.82}{1615.41} = -.115648659 = \mathbf{-11.56\%}$$

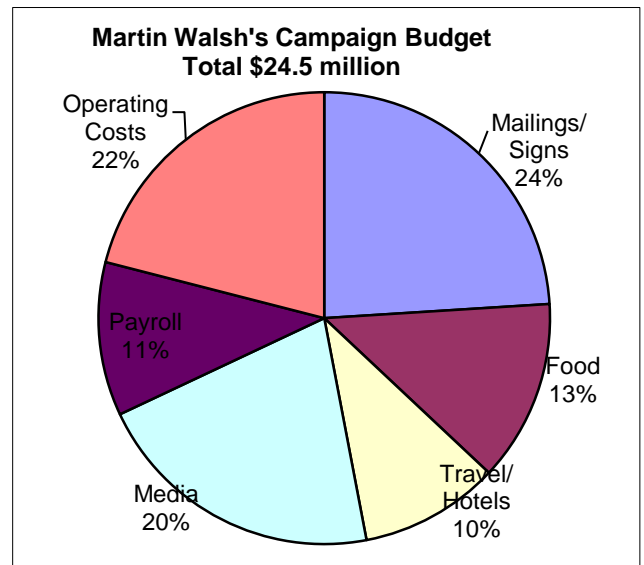
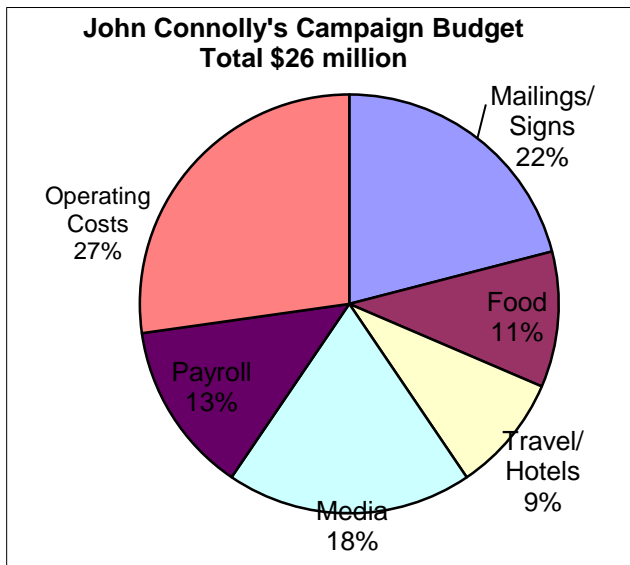
No, it is not the same because the **base (denominator) has changed**. Now, our original value is 1615.41, whereas before it was 1428.59.

16. As of right now (close of the market on September 12, 2013, the S&P is at **1683.42**. What percent increase is this from the July 3, 2013 figure? 2 points

$$\frac{1683.42-1615.41}{1615.41} = \frac{68.01}{1615.41} = .042100767 = 4.2100767\% = \mathbf{4.21\%}$$

Problems 17 and 18:

Mayoral campaign spending will be brisk in the city of Boston this year, as Mayor Menino has decided to retire after many years running the city of Boston. During the 2013 campaign, the hypothetical budgets of two of the candidates are represented below. Let's assume candidates John Connolly and Martin Walsh have six major expenses as shown in the pie charts below. **At the beginning of the campaign, John Connolly estimated he would need to spend \$26 million dollars and Martin Walsh estimated he would spend \$24.5 million.**



Answer the following based on the information included above and in the pie charts.

You must justify your answers by showing your work in order to get credit. Do not just give a name or a single number as the answer.

17. Which candidate will spend more money on the Media? **Round final answer to 2 D.P.**

5 points

| | John Connolly | Martin Walsh |
|----------------|--|--|
| Total Budget | \$26 million | \$24.5 million |
| Media cost % | 18% | 20% |
| Media Spending | $26 \text{ m} \times .18 = \4.68m | $24.5 \text{ m} \times .20 = \4.90m |

Martin Walsh will spend more on media.

18. Martin Walsh wants to save some money, so he asked an aide to calculate what he should cut to save the most money. Which budget should he reduce to save more money? Should he reduce Operating Costs by 15% or cut the food budget by 25%? Show your work.

5 points

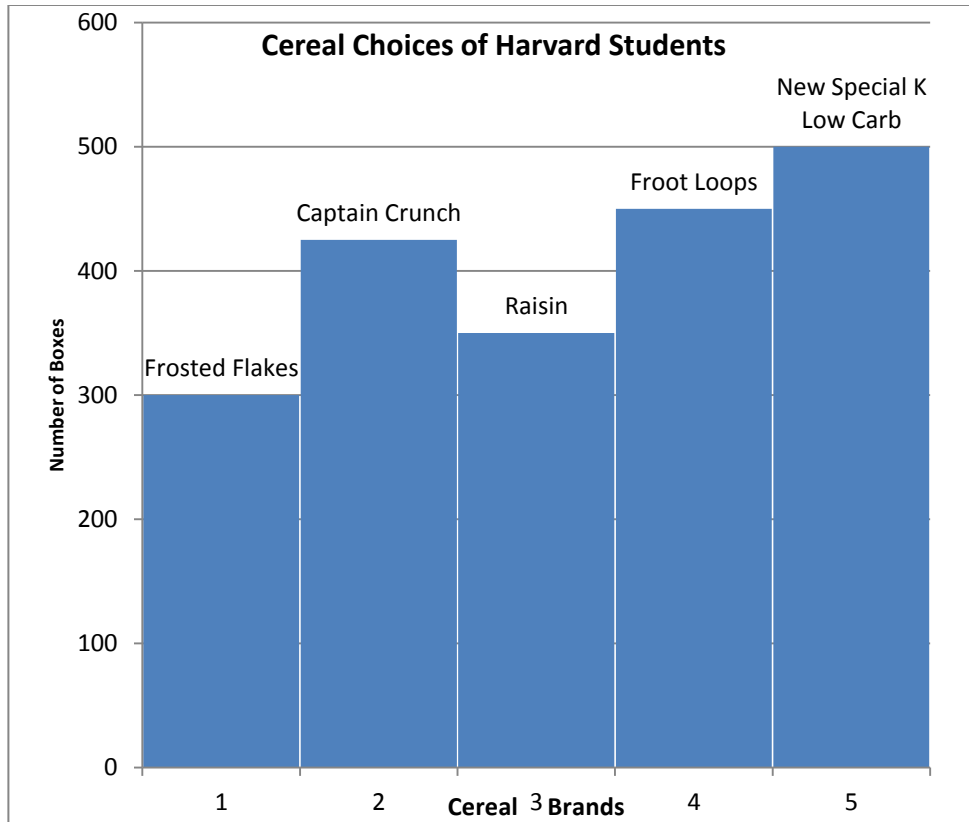
| | |
|----------------------------|-----------------------------|
| Martin Walsh total budget: | \$24.5 million |
| Operating cost percentage | 22% |
| Total operating costs | \$5.39 million |
| Potential savings | 15% |
| Dollars saved | \$.8085 million (\$808,500) |

| | |
|----------------------------|-----------------------------|
| Martin Walsh total budget: | \$24.5 million |
| Food cost percentage | 13% |
| Total food costs | \$3.19 million |
| Potential savings | 25% |
| Dollars saved | \$.7975 million (\$797,500) |

Martin Walsh should cut the operating budget by 15% to save more money.

Problems 19 to 22:

The Harvard Student Union is doing a study to determine which types of cereal are the most popular to serve at breakfast. The histogram below gives the total number of boxes eaten per week for five different kinds of cereals. If a histogram is difficult to read, you should make some notation to make it clear. In this case, since the number of boxes of Captain Crunch cereal is not clear, a note is given below. All the other amounts of cereals can be read from the graph below.



Note: The number of boxes of Captain Crunch cereal is 425.

19. How many boxes of cereal are eaten every week at the Union? 1 point

| | |
|----------------|------------|
| Frosted Flakes | 300 |
| Captain Crunch | 425 |
| Raisin Bran | 350 |
| Froot Loops | 450 |
| New Special K | <u>500</u> |

2025 boxes

20. What percent of the boxes consumed are produced by Kelloggs if Kelloggs makes all of the cereals except Raisin Bran and Captain Crunch? (**ROUND TO 1 D.P.**) 2 points

$$\text{Frosted Flakes } 300 + \text{Froot loops } 450 + \text{New Special K } 500 = 1250$$

$$\text{Percent} = \text{Part/Whole} \times 100 = 1250/2025 \times 100 = .61728 = \mathbf{61.7\%}$$

21. Normally the Union pays 16 cents a box for the cereal which they purchase. However, due to an over-supply of sugar, the price of Captain Crunch and Frosted Flakes is only 12 cents a box. How much must the Union pay every week to purchase all of the cereal that it needs? 2 points

$$\# \text{ of boxes of Frosted Flakes} + \text{Captain Crunch} = 725$$

$$\text{Cost at 12 cents per box} = 725 * .12 = \$87$$

$$\# \text{ of Boxes left} = 2025 - 725 = 1300$$

$$\text{Cost at 16 Cents} = 1300 * .16 = \$208$$

$$\mathbf{\text{Union pays } \$87 + \$208 = \$295 \text{ each week}}$$

22. What percentage decrease in weekly costs (not in price per box) does this drop of 4 cents represent? **Round final answer to 2 D.P.** 2 points

$$\text{Original cost: } 2025 \text{ boxes} * .16 = \$324$$

$$\text{Percent Change} = (\text{New}-\text{Old})/\text{Old} * 100 = (295-324)/324 * 100 = -.08950 * 100 =$$

$$\mathbf{-8.95 \text{ or } 8.95\% \text{ decrease}}$$