

Question 1

- (b) Michael has a credit card with a credit limit of €1000. Interest is charged monthly at 1.5% of the amount owed. Michael gets a bill at the end of each month. At the start of January, Michael owes €800 on his credit card. If Michael makes no repayments and no more purchases, show that he will exceed his credit limit after 15 months.

- (c) Michael buys an item costing £95 on the internet and pays with his credit card. If the exchange rate is €1 = £0.8473, calculate, correct to the nearest cent, the amount that will be included on Michael's credit card bill.

