# Monthly Interest Rate

This month, the baker's credit card bill was $1,080.00. If they do not pay by the deadline, they will be charged interest at a rate of 2.5% per month. How much interest will they have to pay? How much will their bill be overall?

Interest rates can be set per month or per year. You will be charged interest per month.

With a per month interest rate, if someone is late to paying their bill for two months, on the second month the same percentage will be applied to the whole bill + the first month of interest. Each month the interest charged will increase.

Next month the baker's credit card bill was $ 4,595.00. If they do not pay by the deadline, they will be charged an interest rate of .5% / month. How much interest will they have to pay? If they do not pay their bill for another month, how much interest will they pay this time?

# Monthly Interest Rate

**Step 1**: Turn .5% into a decimal

**Step 2**: Multiply that decimal by the amount. This is the answer to the first question

**Step 3**: Add together the interest (answer from step 2) and the credit card bill amount.

**Step 4**: Multiply the interest decimal by the amount from step 3.

This year the baker's credit card bill was $570.00 If they do not pay by the deadline, they will be charged an interest rate of 5% / year. How much interest will they have to pay? If they do not pay their bill for another year, how much interest will they pay this time?