

SOLVE THE FOLLOWING FRACTIONS

Scenario 1: Sarah's Credit Card Balance

Sarah received her credit card statement for March 2024 from Bank Horizon. The statement shows that she has a current outstanding balance of **RM4,500**. It is assumed that Sarah did not use her credit card in April.

Questions:

1. What is the minimum payment she has to make if the bank requires 5% of the outstanding balance or a minimum of RM50?
 2. If she only makes the minimum payment and the statement date is 18 days from the expiry date of the interest-free period, what will be her balance in April?
 3. If she does not make any payment for March, what will be her balance in April?
 4. If the bank charges an annual interest rate of 15% and Sarah only pays the minimum amount, how much interest will she be charged for 18 days?
 5. What is the financial consequence of only paying the minimum balance every month?
 6. If Sarah wants to clear her debt faster, what is the best payment strategy she should adopt?
-

Scenario 2: Jason's Credit Card Debt

Jason received his credit card statement for June 2024 from Bank Maju. His statement shows an outstanding balance of **RM7,200**. He did not use his card in July.

Questions:

1. If the bank requires a minimum payment of 6% of the outstanding balance, how much does Jason need to pay?
 2. If Jason pays the minimum amount and his statement date is 22 days after the interest-free period, what is his balance in July?
 3. If he misses the payment for June, what will be his balance in July?
 4. If the bank applies an annual interest rate of 18%, how much interest will be charged for 22 days if he only pays the minimum amount?
 5. Why do credit card companies require a minimum payment, and what are the risks of only paying the minimum?
 6. If Jason plans to pay off his full balance within three months, what payment strategy should he use?
-

Scenario 3: Ali's Credit Card Charges

Ali received his credit card statement for January 2024 from Bank Sejahtera. His outstanding balance is **RM3,800**. He did not use his credit card in February.

Questions:

1. If the minimum payment required is 5% of the balance, how much does Ali need to pay?
 2. If Ali only pays the minimum amount and his statement date is 16 days after the interest-free period, what will be his balance in February?
 3. If Ali does not make any payment in January, how much will he owe in February?
 4. If the bank charges 17% annual interest, how much interest will be charged for 16 days if he only makes the minimum payment?
 5. What advice would you give Ali regarding his credit card payment habits?
 6. How does missing a credit card payment affect a person's credit score?
-

Scenario 4: Mei Ling's Credit Card Expenses

Mei Ling received her credit card statement for August 2024 from Bank Rakyat. She has an outstanding balance of **RM9,500**. She does not use her credit card in September.

Questions:

1. If the minimum payment required is 4% of the outstanding balance, how much does Mei Ling have to pay?
 2. If Mei Ling only makes the minimum payment and her statement date is 25 days from the expiry date of the interest-free period, what will be her balance in September?
 3. If she does not make any payment in August, how much will she owe in September?
 4. If the bank applies an annual interest rate of 16.5%, how much interest will be charged for 25 days if she only pays the minimum?
 5. What would be the consequences if Mei Ling continues to pay only the minimum payment for several months?
 6. If Mei Ling wants to clear her debt in 6 months, how should she plan her payments?
-

Scenario 5: Kumar's Credit Card Payment Struggles

Kumar received his credit card statement for October 2024 from Bank Nasional. His current outstanding balance is **RM2,600**. He did not use his card in November.

Questions:

1. If the bank requires a minimum payment of RM50 or 5% of the outstanding balance, whichever is higher, how much does Kumar have to pay?
 2. If Kumar only makes the minimum payment and his statement date is 14 days from the expiry date of the interest-free period, what will be his balance in November?
 3. If Kumar completely misses his payment for October, what will be his new outstanding balance in November?
 4. If the bank charges an annual interest rate of 19%, how much interest will be charged for 14 days?
 5. How does paying only the minimum amount affect Kumar's total repayment amount over time?
 6. What steps should Kumar take to manage his credit card debt more effectively?
-

Scenario 6: Siti's Credit Card Management

Siti received her credit card statement for December 2024 from Bank Sentosa. She has an outstanding balance of **RM5,400**. She does not use her credit card in January.

Questions:

1. If the minimum payment is 5% of the balance, how much does Siti need to pay?
2. If Siti only makes the minimum payment and her statement date is 21 days after the expiry date of the interest-free period, what will be her balance in January?
3. If she completely misses the payment for December, how much will she owe in January?
4. If the bank applies an annual interest rate of 18.5%, how much interest will she be charged for 21 days if she only pays the minimum?
5. How does carrying an unpaid credit card balance from month to month affect Siti's financial health?
6. If Siti wants to be debt-free as soon as possible, what are some effective payment strategies she can follow?