

ASSET CALCULATIONS - Answers

1. Wells Fargo has provided the checking account information shown below in the name of one of your tenants. What is the average six month balance? \$ 160.94 .

September 30, 2009	\$372.01
August 30, 2009	\$ 48.07
July 30, 2009	-\$ 26.01
June 30, 2009	\$117.46
May 30, 2009	\$148.56
April 30, 2009	\$279.54
March 30, 2009	\$111.56
February 28, 2009	-\$ 17.56
January 29, 2009	\$350.01
December 30, 2008	\$210.89
November 29, 2008	\$148.56
October 28, 2008	\$ 74.52

2. U.S. Bank provided the information shown below for a savings account in the name of one of your tenants. What will you count as an asset? \$ 2,345 . What is the income from the asset? \$ 82 .

Current Balance	\$ 2,345
Average Six Month Balance	\$ 1,950
Interest Earned in the Past 12 Months	\$ 65.40
Current Interest Rate Paid on the Account	3.5%

3. The face value of a permanent life insurance policy is \$50,000. The surrender value is \$23,000. What amount should be counted as an asset for rent calculation purposes?

 \$ 23,000

4. The Bentley's own a rental home. The market value is \$250,000. They have a \$100,000 mortgage against the home and the cost to dispose of the home would be \$25,000. What is the cash value of the home?

 \$ 125,000

5. The Baldwin family has two certificates of deposit (CD) in the amount of \$1,000 and \$5,000 paying interest at 4%. The early withdrawal penalty is three months of interest. What is the cash value of the CD's?

 \$ 5,940

6. Michael Jones has a 401K account balance of \$35,000. He is able to terminate his participation in the retirement plan without quitting his job, but if he did so he would lose the employer's contribution and would pay a penalty fee. The total cash he could withdraw would be \$18,000. Which amount would be counted as an asset? \$ 18,000 .
7. During the past two years, Alexis Turner donated \$300 to the local food bank, \$150 to a camp program and \$200 to her church. What is the amount of the asset disposed of? \$ 0 .
8. Helen Wright has assets totaling \$18,000 with actual income from assets at \$15.80. What is the imputed income from the assets? \$ 360 .
9. Mary Walsh holds an annuity from which she will not receive payments for another 15 years. Her agent stated that the annuity currently has a value of \$20,400 earning interest at a rate of 4.5%. If Mary were to withdraw the balance in the account, she would pay a surrender penalty of \$3,000 and tax penalties of \$1200.
What is the cash value of the asset? \$ 16,200 .
What is the actual anticipated income on this asset? \$ 918 .
10. ABC Bank has provided you with a verification of the Moore's checking and savings account; however, the verification does not indicate if either account pays interest. Should the O/A assume that the accounts pay 0% interest? Yes _____ No X .