6 METHODS USED TO COMPUTE $1\frac{1}{2}$-PERCENT MONTHLY SERVICE CHARGES ON REVOLVING CREDIT ACCOUNTS (STANDARDIZED 6-MONTH ACCOUNT)

Method	Month (a)	Previous balance (b)	Credits: Payments (c)	Credits: Returns (d)	Charges (e)	Balance before service charge (f)=b−c−d+e	Service charge (g)	Closing balance (h)=f+g
Method I: No option. Service charge, $1\frac{1}{2}$ percent of current balance at end of month. (g)=$1\frac{1}{2}$ percent (f)	January			$10	$30	$20.00	$0.30	$20.30
	Feburary	$20.30	$20	30	120	90.30	1.35	91.65
	March	91.65	80	40	90	61.65	.93	62.58
	April	62.58	10		10	62.58	.94	63.52
	May	63.52	10		10	63.52	.95	64.47
	June	64.47	10		10	64.47	.97	65.44
Total							5.44	
Method II: 30-day option. Service charge, $1\frac{1}{2}$ percent of previous month's ending balance less payments and returns. (g)=$1\frac{1}{2}$ percent (b−c−d) if (b)>(c+d)	January			10	30	20.00		20.00
	February	20.00	20	30	120	90.00		90.00
	March	90.00	80	40	90	60.00		60.00
	April	60.00	10		10	60.00	.75	60.75
	May	60.75	10		10	60.75	.76	61.51
	June	61.51	10		10	61.51	.77	62.28
Total							2.28	
Method III: No option. Service charge, $1\frac{1}{2}$ percent of previous month's ending balance. (g)=$1\frac{1}{2}$ percent (b).	January			10	30	20.00		20.00
	February	20.00	20	30	120	90.00	.30	90.30
	March	90.30	80	40	90	60.30	1.35	61.65
	April	61.65	10		10	61.65	.93	62.58
	May	62.58	10		10	62.58	.94	63.52
	June	63.52	10		10	63.52	.95	64.47
Total							4.47	