AFTER reading handout 10.11a and understanding unit pricing, which is the better value?

CHALLENGE #1

- A can of soup for $ 1.25, which is 16 oz.
- A can of soup for $ 1.80, which is 24 oz.

ANSWER:
In the first case, the soup costs $1.25/16 = .078125 per oz.
The soup costs $1.80/24 = .075 per oz in the second case.
The better buy is the larger can.

CHALLENGE #2

- Toilet Paper – for $ 9.99 package of 12 rolls
- Toilet Paper: Buy one package with six rolls at $6.99 and get another of the same size on sale at half price.

ANSWER:
In the first case, a roll costs $9.99/12 = $0.8325 per roll;
In the second case, the roll costs $6.99 times 1.5 (or $6.99 plus $ 3.495) = $ 10.485/12, so a roll costs $ .87375. (not such a great deal for the sale)
The better price is the first case.

CHALLENGE #3

When you purchase gas and pay cash, it costs $3.24 per gallon, or if you use your credit card, it costs $ 3.29 per gallon.
However, when you use your credit card, you earn points and know that each $ 1 spent can be redeemed for 1 cent of value. Are you better off using cash or your credit card?
ANSWER
You earn $3.34/100 = $0.034 using your credit card to pay for gas. However, you are paying $0.05 more, so it is not a good tradeoff – pay cash.