



Math WASL Prep Using The Seattle Times

April 5, 2009

1. Read ***Lockheed, Boeing weapons at risk in Pentagon cuts*** on page **A10**.

The research and development of new military weaponry comprises 37% of the Defense Department's budget. One of the items that might be cut from the \$654 billion budget is the Future Combat Systems project being developed jointly by Boeing and Science Applications International. The program is expected to cost \$159 billion over the next decade, but only 8% of that total would be spent this year. If the Future Combat Systems project is eliminated from the 2009 budget, what percentage of military spending would now be devoted to new weaponry?

- A) 34.6%
- B) 35.0%
- C) 35.4%
- D) 35.7%
- E) 36.2%

2. Read ***Bailout fan benefits in big way*** on page **A18**.

Buffett's federal bailout

Berkshire Hathaway Chairman Warren Buffett, an outspoken supporter of the federal Troubled Asset Relief Program (TARP), has benefited from Berkshire's stakes in firms assisted by the bailout. TARP-assisted companies make up more than 30 percent of Berkshire's total reported stock holdings.

Company	Value of Berkshire holdings*	TARP funds received
Goldman Sachs Group Inc.	\$5,000,000,000	\$10,000,000,000
Wells Fargo & Co. **	4,877,000,000	25,000,000,000
American Express Co.	2,191,000,000	3,389,000,000
US Bancorp	1,057,000,000	6,599,000,000
M & T Bank Corp.	321,000,000	600,000,000
SunTrust Banks Inc.	40,000,000	4,850,000,000
Bank of America Corp.	37,000,000	45,000,000,000
Total	\$13,523,000,000	\$95,438,000,000

*Value as of March 27 market close

**Includes holdings of \$352 million by Berkshire subsidiary General Re

Source: Securities and Exchange Commission; Sacramento Bee research

Berkshire Hathaway has large stakes in a number of financial companies, including those many of those that have received money from the Troubled Assets Relief Program. Berkshire Hathaway also owns significant shares of other finance related companies, including 20% of Moody's, a company inextricably linked to the current crisis and currently valued at \$5.5 billion. Berkshire Hathaway has come under fire for having such a large portion of its stock portfolio, 30%, invested in companies assisted by TARP. If its shares in Moody's were included in that calculation, what percent of Berkshire Hathaway stock



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portfolio would be focused on TARP related financial companies?

- A) 30.5%
- B) 31.1%
- C) 31.5%
- D) 32.1%
- E) 32.4%

3. Read *Posh WaMu conference site for sale* on page C1.

The Cedarbrook Conference Center, formerly the Washington Mutual Leadership Center, has fallen on hard times and is up for sale. With Washington Mutual having been taken over and sold, the center's key tenant is no longer using the space. The down economy hasn't helped them find other companies to utilize the space. The hotel-motel tax receipts that the center pays to the city of SeaTac have fallen to \$700 a month, a 60% decrease. If the center's tax receipt used to account for 2% of all the hotel tax revenue for SeaTac, what was the annual amount that SeaTac collected in hotel-motel tax revenue?

- A) \$87,500
- B) \$525,000
- C) \$700,000
- D) \$1,050,000
- E) \$1,525,000

4. Read *Sounders FC improves to 3-0* on page D1.

The new Seattle soccer team has started well in its initial season, winning each of its first three league matches. The team has yet to allow their opponents to score. In the most recent match, the Sounders scored at the 15 minute and 45 minute marks. The first match saw them score at the 11th, 25th, and 75th



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minute while in the second match they scored at the 17th and 77th minute. If the matches last an hour and a half each, so far what is the mean number of minutes that the Sounders have been ahead by at least 2 goals?

- A) 41
- B) 45
- C) 49
- D) 54
- E) 62

5. Read *Winning at Augusta would be sweet music* on page D3.

In addition to an average weekly salary of \$1700 and getting paid \$100 a day to wear a hat with a logo on it for the four-day tournament, caddies get a percentage of their golfer's winnings. If their golfer wins, they receive 10% of the prize money. If their golfer finishes elsewhere in the top ten they receive 7% of the prize money. Any other finish gets them 5% of the prize. This year's Masters has a total prize purse of \$7.5 million, with 18% of it going to first place and 42% of it being spread out amongst the other finishers in the top ten. If there are 96 golfers competing at the masters, how much will the average caddy working at the Masters earn this week?

- A) \$4569.40
- B) \$5265.63
- C) \$5729.17
- D) \$6669.40
- E) \$7365.63



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ANSWER KEY

1. Read ***Lockheed, Boeing weapons at risk in Pentagon cuts*** on page **A10**.

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*8.2% of the \$159 billion cost of the Future Combat Systems project are on the budget for this year: 8.2% * \$159 billion = \$13.04 billion*

*Currently the military spends 37% of its \$654 billion budget on new weaponry: 37% * \$654 billion = 241.98 billion*

Subtracting \$13.04 billion, for eliminating the FCS cost, reduces the amount spent on new weaponry to: \$241.98 billion – \$13.04 billion = \$228.94 billion

Subtracting \$13.04 billion from the total budget gets us the new total budget: \$654 billion – \$13.04 billion = \$640.96 billion

Now spending on new weaponry is: \$228.94 billion / \$640.96 billion = 0.3572 or 35.72%

- F) 34.6%
- G) 35.0%
- H) 35.4%
- I) 35.7%**
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Berkshire Hathaway Chairman Warren Buffett, an outspoken supporter of the federal Troubled Asset Relief Program (TARP), has benefited from Berkshire's stakes in firms assisted by the bailout. TARP-assisted companies make up more than 30 percent of Berkshire's total reported stock holdings.

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McCLATCHY-TRIBUNE

*The values listed in the table account for 30% of Berkshire Hathaway's stock holdings: 30% * total stock holdings = \$13.523 billion; \$13.523 billion / 30% = \$45.077 = total stock holdings*

*Berkshire Hathaway owns 20% of Moody's, which is valued at \$5.5 billion: 20% * \$5.5 billion = \$1.1 billion*

Adding in the Moody's stock increases the value on the table: \$13.523 billion + \$1.1 billion = \$14.623 billion

\$14.623 billion / \$45.077 billion = 0.3244 or 32.44%

- F) 30.5%
- G) 31.1%
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to utilize the space. The hotel-motel tax receipts that the center pays to the city of SeaTac have fallen to \$700 a month, a 60% decrease from their usual amount. If the center's tax receipt used to account for 2% of all the hotel tax revenue for SeaTac, what was the annual amount that SeaTac collected in hotel-motel tax revenue?

*\$700 tax receipts each month are a 60% decrease from what they used to be: $R * (100\% - 60\%) = \$700$;
 $R = \$700 / 0.4 = \1750 ; they used to pay \$1750 in tax receipts each month*

*Their tax receipt used to account for 2% of all the hotel tax revenue that SeaTac collected then $\$1750 = 2\% * T$; $\$1750 / 2\% = T$; $\$87,500 = T$, the total hotel tax revenue collected each month.*

*$\$87,500$ per month * 12 months = annual hotel tax revenue = $\$1,050,000$*

- F) \$87,500
- G) \$525,000
- H) \$700,000
- I) \$1,050,000**
- J) \$1,525,000

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*The matches last 1.5 hours, or $1.5 * 60 = 90$ minutes*

The team scored their second goals at 25 minutes, 77 minutes, and 45 minutes respectively.

They have been ahead for $90 - 25 = 65$ minutes, $90 - 77 = 13$ minutes, and $90 - 45 = 45$ minutes

The mean number of minutes = $(65 + 13 + 45) / 3 = 123 / 3 = 41$

- F) 41**



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*One caddy, whose golfer wins, will get 10% of 18% of \$7.5 million = $0.1 * 0.18 * \$7.5 \text{ million} = \$135,000$*

*9 others, whose golfers finish in the top ten, combined will get 7% of 42% of \$7.5 million = $0.07 * 0.42 * \$7.5 \text{ million} = \$220,500$*

*The other 86 will combined get 5% of (100% - 42% - 18%) of \$7.5 million = $0.05 * 0.4 * \$7.5 \text{ million} = \$150,000$*

Thus as a group they will on average get $(\$135,000 + \$220,500 + \$150,000) / 96 = \$505,500 / 96 = \$5265.63$

They also get their weekly salary (\$1700) and the \$100 a day for wearing the cap

*$\$5265.63 + \$1700 + 4 * \$100 = \7365.63*

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