The $1 is not missing, however, this problem can be confusing on the nature of its wording. The error can be found when adding 27 to 2, and receiving a number that is less than 30 (29).

To understand this problem completely, let’s start from the beginning.

Each of the three people paid $10, which sums up to $30

They were given back $5 due to an error on the check. Let’s omit the $25 for right now (don’t worry, we’ll bring it back later.) Let’s imagine the waiter brought back five singles.

3

1

2

4

5

Person #1 Person #2 Person #3 Waiter Waiter

Each of the three people take back a dollar. They give the remaining two dollars back to the waiter. Let’s analyze this.

In the diagram, there are five dollars assigned to each person involved in the problem, and let’s bring back the $25.

25+5=30

25+3+2=30

We can’t say that each person is contributing $9, which is the start of the problem.

30/3=10

Take away the $5 and do the same thing

25/3=8.33

8.33+1=9.33

Let’s finish this solution up:

9.33(3)=28

Now don’t forget about the two dollars we gave the waiter.

28+2=30

The dollar was never missing but the words in the problem perceived it to.