**Exercise 4: Functions**

**Scenario 2:** The bank needs to compute the monthly installment for a loan.

* + **Question:** Write a function **CalculateMonthlyInstallment** that takes the loan amount, interest rate, and loan duration in years as input and returns the monthly installment amount.

ANS:

CREATE OR REPLACE FUNCTION CalculateMonthlyInstallment(p\_loan\_amount NUMBER, p\_interest\_rate NUMBER, p\_duration\_years NUMBER) RETURN NUMBER IS

v\_monthly\_rate NUMBER;

v\_months NUMBER;

v\_installment NUMBER;

BEGIN

v\_monthly\_rate := p\_interest\_rate / 12 / 100;

v\_months := p\_duration\_years \* 12;

v\_installment := (p\_loan\_amount \* v\_monthly\_rate) / (1 - POWER(1 + v\_monthly\_rate, -v\_months));

RETURN v\_installment;

END;