

## Activity 7

You are given the following information

No. of Claim per Policy	N
Average Claim Amount	X
Number of Policy	k
Cost of insurance per Policy	C
Profit margin	20%
Minimum Reserve Rate	70%

## Activity 7

Model the following output

Total number of claim	$N \cdot k$
Aggregate claim	$N \cdot k \cdot X$
Average Premium per Policy	$P = 1.2 \cdot [(N \cdot X) + C]$
Minimum Reserve Required	$0.7 \cdot P \cdot k$
Total Profit	$0.2 \cdot [(N \cdot X) + C] \cdot k$

## Activity 8

1. List down all the input variables needed for hire purchase installment calculation.
2. By using the input variables, form a model to determine the monthly installment for buying a car under hire purchase.
3. Form a model to determine the total interest paid under a hire purchase.

## Activity 8

Purchase Price	P	\$50,000.00		M	12
Number of Years	N	9		B	6
Payment Method	k	M		Q	4
Interest Rate	I	3.50%		H	2
				Y	1
Installment		\$608.80			
$(P+P*I*N)/(N*k)$					
Total Interest Paid		\$15,750.00			
$P*I*N$					