

The Basics of Loans

Liberal Arts Mathematics

Assignment Text

Answer the following problems from Section 6.8 of the textbook: 10 – 14.

Answer the questions using Mobi OfficeSuite Sheets by following the directions in the Tech Check sections on page 634. Answer each question in a new row of the spreadsheet.

For reference, the text of the problems are duplicated below.

In the following exercises, calculate the monthly payment for the loan.

- 10. Principal = \$8,600, annual interest rate = 6.75%, term is 5 years
- 11. Principal = \$19,400, annual interest rate = 2.25%, term is 6 years
- 12. Principal = \$11,870, annual interest rate = 3.59%, term is 3 years
- 13. Principal = \$41,900, annual interest rate = 8.99%, term is 15 years
- 14. Principal = \$26,150, annual interest rate = 11.1%, term is 7 years

Answer Key

- | | |
|--------------|--------------|
| | 12. \$348.29 |
| 10. \$169.28 | 13. \$424.73 |
| 11. \$288.29 | 14. \$449.13 |

Student Feedback Templates

#10 should be \$169.28 (Formula: $=\text{PMT}(0.0675/12, 5*12, 8600)$)

#11 should be \$288.28 (Formula: $=\text{PMT}(0.0225/12, 6*12, 19400)$)

#12 should be \$348.29 (Formula: $=\text{PMT}(0.0359/12, 3*12, 11870)$)

#13 should be \$424.73 (Formula: $=\text{PMT}(0.0899/12, 15*12, 41900)$)

#14 should be \$449.13 (Formula: $=\text{PMT}(0.111/12, 7*12, 26150)$)