Solution:

(1)

Note that the present value of the lease payment is $737.00 million. For each quarter, there is a 2% interest levied.

Moreover, $221 million is scheduled for the year, meaning that $221/4 = $55.25 million is scheduled for every quarter.

Thus, we perform the quarters' calculations as follows:

1. **Quarter 1 (Ending on March 31)**

   To find this, we note that the

   Interest expense is $737 x 0.02 = **$14.74 million.**

   Thus, the principal payment will be given by

   $55.25 - $14.74 = **$40.51 million.**

   The ending present liability will be $737.00 - $40.51 = $696.49 million.

2. **Quarter 2 (Ending June 30)**

   To find this, we note that the

   Interest expense is $696.49 x 0.02 = **$13.93 million.**

   Thus, the principal payment will be given by

   $55.25 - $13.93 = **$41.32 million.**

   Thus, the ending balance will be $696.49 - $13.93 = $655.17 million.

Thus, for the first half of the fiscal year, the total expenditure is as follows:

Interest Expense = $14.74 + $13.93 = $28.67 million.

Principal Paid = $40.51 + $41.32 = $81.83 million.

(3)

To consider this, let us consider the capital lease of $1,000 million for 15 years at 8% per year.

Then, the annuity's present value will be given by $1,000 x 8.5595 = $8,559.5.

Thus, the present value of the debt would be $8,559.5 million approximately.

This would be the increase in debt, since operating leases do not account for as debts.

Now, the original debt was $11,847 million. Thus, the percentage increase in debts will be

($8,559.5)/ ($8,559.5 + $11,847) = 41.95%

Thus, the debts of the airlines would have increased by **41.95%** if the operating leases are considered as capital leases. This is a significant increase in leases, showing that Delta prefers to make operational leases as well.