

Grab a calculator & finish...

p. 568: #4, 5, (6), 10, 11

6. Jake and Archie are looking for places to live.
- Jake decides to rent a house for \$1400 per month.
 - Archie buys a house for \$189,900, with a down payment of 10%. The bank has offered Archie a 20-year mortgage for the remainder of the cost, at 4% compounded semi-annually, with payments every two weeks.
- Jake and Archie both move after 5 years. Archie's house has depreciated by 2% per year. Compare Jake's and Archie's housing costs.

Down Payment
 $0.10 \times 189,900$
 $18,990$

← come off

Jake

```
1400*12*5 84000
```

Paid out
 Nothing
 (No Asset)

owne

```
170910-68411.04  

102498.96
```

Archie

```
N=520  

I% = 4  

PV = 170910  

PMT = -476.215394  

FV = 0  

P/Y = 26  

C/Y = 2  

PMT: [ ] BEGIN
```

```
N=130  

I% = 4  

PV = 0  

PMT = -476.215394  

FV = 68411.04115  

P/Y = 26  

C/Y = 2  

PMT: [ ] BEGIN
```

← Payment

← 5 years Pay

Depreciation

$$189,900 \times 0.98^5$$

```
Ans*0.98  

182379.96  

178732.3600  

175157.7136  

171654.5593  

189900*0.98^5  

171654.5593
```

SELL

Pay Bank $102,498.96$
 $\underline{\quad}$
 $\$69,155.66$
 $\underline{\quad}$
 $-18,990 \text{ Down}$

Made Money
 (No Asset)

$\$50,165.66$

Ready for the test??? REVIEW Time...

Chapter 8: Investing Money

- mid chapter review p. 481
- chp review p. 507
- chp self test p. 506

Chapter 9: Borrowing Money

- mid chapter review p. 539
- chp review p. 573
- chp self test p. 572

Cumulative Review...Chp. 8/9 p. 576

Simple Interest

$$I = Prt$$

$$A = P + I$$

$$A = P + Prt$$

$$A = P(1 + rt)$$

Compound Interest

$$A = P\left(1 + \frac{r}{n}\right)^{nt}$$

$$I = A - P$$

Present Value

$$P = \frac{A}{\left(1 + \frac{r}{n}\right)^{nt}}$$

Rule of 72 and Rate of Return

$$\text{Doubling Time} = \frac{72}{\text{Rate}}$$

$$\text{ROR} = \frac{\text{\$earn}}{\text{\$invested}} \times 100\%$$

TVM-Solver

N =
 I % =
 PV =
 PMT =
 FV =
 P / Y =
 C / Y =
 PMT : END BEGIN