

HOMEWORK???

Page 135: #1 - 6

Worksheet - Loans.pdf

3.4 Build your Skills Detailed Solutions.pdf

For questions 1 to 3, you can use the personal loan payment calculator table on p. 132 or an online monthly payment calculator.

1. Calculate the monthly payment, the total amount paid, and the finance charge for each of the following loans.
 - a) \$1000.00 at 7.50% per annum for 3 years;
 - b) \$2500.00 at 7.50% per annum for 4 years;
 - c) \$3000.00 at 9.00% per annum for 5 years.

Finance Charge $\Rightarrow \frac{1119.96}{12} = 93.33$

Pay $\Rightarrow 31.11 \times 12 \times 3 = 1119.96$

a) Monthly Payment $\Rightarrow 31.11$

b) $24.18 \times \frac{2500}{100} \Rightarrow 60.45$

Pay $\Rightarrow 60.45 \times 12 \times 4 = 2901.60$

FC $\Rightarrow \frac{2901.60}{100} - 2500 = 401.60$

$60 / (500 * 10 / 365)$	
	4.38
Ans * 100	438
■	

7. Josh wants to buy a new kayak. He sees one he likes on sale for \$3842.00 cash. He does not have the cash to buy the kayak right away so he must consider his options.

Option 1: The kayak store has a plan where Josh can pay \$500.00 down and \$300.00 a month for 1 year, plus an administration fee of \$25.00.

Option 2: Josh could also borrow the money from his bank at 8.50% per annum for a term of 1 year, and then pay cash for the kayak.

Option 3: Josh could save \$300.00 a month until he has enough cash to buy the kayak.

- What would the monthly payment be for each option? Use the personal loan payment calculator on p. 132 to calculate the payments.
- Calculate the total cost for each option.
- Why might Josh choose each of these options?

#1
 $500 + 300 * 12 + 25$
 4125
 Payment

#2
 $87.22 * 3842 / 1000$
 Ans * 12
 335.09924
 4021.19088

#3
 $3842 - 300$
 12.80666667
 Pay 3842
 12.8 months

Table
 Monthly Payment
 $37.22 * \frac{3842}{1000}$

\$ 335.10

Pay → 335.10
 x 12

REFLECT ON YOUR LEARNING Ready for the test???

FINANCIAL SERVICES

Now that you have finished this chapter you should be able to:

- describe banking options and discuss their advantages and disadvantages;
- solve simple interest problems; ↳ notes $I = Pit$
 $A = P + I$
- solve compound interest problems; $A = P(1 + \frac{r}{n})^{nt}$ $I = A - P$
- use the Rule of 72 to estimate the time needed for an investment to double; $R of 72 = 72 / Rate$
- describe different credit options, including bank and store credit cards, personal loans, lines of credit, and overdrafts;
- solve problems that involve credit cards; min pay 5% of balance work...
- solve problems that involve loans; Loan Table
- solve problems that involve sales promotions; and
- make informed decisions related to the use of credit.

Review Questions...

- Page 138: #1 - 10 Review - Financial Services.pdf
- Chapter 3 Financial Services Practice Your New Skills Solutions.pdf
- Chapter 3 Sample Test.pdf

Attachments

3.4 Build your Skills Detailed Solutions.pdf

Worksheet - Loans.pdf

Chapter 3 Financial Services Practice Your New Skills Solutions.pdf

Chapter 3 Sample Test.pdf

Review - Financial Services.pdf