

PLAN FOR TODAY...

- we went over the lessons for the last 3 days.
- all lessons are now posted online.
- we will finish 9.4 (Buy/Rent/Lease) in the New Year with the review/test to follow.

Question 7???

c)

```
N=780
I%=4.5
PV=162000
PMT=-284.78865...
FV=0
P/Y=52
C/Y=2
PMT: [ ] [ ] BEGIN
```

d)

```
N=453.9094308
I%=4.5
PV=162000
PMT=-284.78865...
FV=-81000 ←
P/Y=52
C/Y=2
PMT: [ ] [ ] BEGIN
```

I forgot the negative...
\$ out of my pocket!

```
453.9094308/52
8.729027515
.729027515*52
37.90943078
.90943078*7
6.36601546
■
```

8 years
37 weeks
6 days !!!

Problem Solving 101...

If you are not getting the correct answer - TRY to figure why in order to arrive at the correct answer!

Credit Cards

2.4% of 5000

$= 0.024 \times 5000$

$= 120$

1. Mia is buying a used trailer for \$5000 on credit. She plans to travel through the Rockies over the summer. She can afford payments of \$200 each month and is considering these two options:

- The dealership credit card at 15.8%, compounded daily, and an immediate rebate of 2.4% off her first purchase
- A bank loan at 9.8%, compounded monthly

- How much would Mia end up paying, in total, with each option?
- How much interest would she pay for each option?
- How long will it take her to pay off the balance for each option?
- What should she use: the credit card or the bank loan? Why?

Dealership

c) 29.669 months
Payments

paid = 29.669×200
a) 5933.80

b) $I = 5933.80 - 4880$
 $I = 1053.80$

N=29.66902249
I%=15.8
PV=4880
PMT=-200
FV=0
P/Y=12
C/Y=365
PMT: <input type="checkbox"/> <input checked="" type="checkbox"/> BEGIN

Bank

c) 28.077 months
Payments

N=28.07714984
I%=9.8
PV=5000
PMT=-200
FV=0
P/Y=12
C/Y=12
PMT: <input type="checkbox"/> <input checked="" type="checkbox"/> BEGIN

28.077 * 200
a) 5615.4

Ans - 5000
b) 615.4

b) Better

Handwritten notes: Paid, I

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7. Joanne needs to use credit to buy a new dinghy, which costs \$3600 plus \$450 for the motor. Joanne wants to have the loan repaid in 4 months. She is considering these two credit options:
- Her line of credit at 10.4%, compounded monthly
 - Her new credit card, which has a \$100 rebate on its first use and an interest rate of 13.7%, compounded daily

Joanne thinks that she should choose her line of credit because it has a lower interest rate. Do you agree?

LOC

Payment

Credit Card

```
N=4
I%=10.4
PV=4050
PMT=-1034.5321...
FV=0
P/Y=12
C/Y=12
PMT: [ ] [ ] [ ] BEGIN
```

```
N=4
I%=13.7
PV=3950
PMT=-1016.0027...
FV=0
P/Y=12
C/Y=365
PMT: [ ] [ ] [ ] BEGIN
```

pay less
BEST

```
1034.53*4      4138.12
Ans-4050      88.12
```

```
1016.00*4      4064
Ans-3950      114
```

Work on p. 554 #9