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

10. $169.28

11. $288.29

12. $348.29

13. $424.73

14. $449.13

Student Feedback Templates

#10 should be $169.28 (Formula: =-PMT(0.0675/12,5*12,8600))

#11 should be $288.28 (Formula: =-PMT(0.0225/12,6*12,19400))

#12 should be $348.29 (Formula: =-PMT(0.0359/12,3*12,11870))

#13 should be $424.73 (Formula: =-PMT(0.0899/12,15*12,41900))

#14 should be $449.13 (Formula: =-PMT(0.111/12,7*12,26150))