

Name _____

Present Value:

1) You want to buy a house for \$155,000. Annual interest rates are locked in at 6.2% on a 30-year loan. How much money will you eventually pay out over 30 years?

2) Janet wants to buy a car for \$8,000. She can borrow from the credit union for 4% (APR) on a 6-year loan with monthly payments. How much will she pay in interest?

3) Your parents want to buy a \$75,000 R.V. They take out an 8 year loan at 7.5% APR. What is their annual payment?

Future Value:

4) In order to tour Europe, Elaine wants to have \$85,000 upon her retirement 25 years from now. If the bank offers 3% APR, how much will she have to put away each month?

5) Since a \$8,000 car is definitely not enough for Mitch's classy taste, he has decided to save up to pay \$15,000 for a car in 6 years. How much will he have to put away twice a year at 2.2% (APR) to make this happen?

Mixed Money:

6) Joe invests \$550 in a bank account for 6 years, 3.7% (APR), compounded quarterly. How much money will he have in 6 years?

7) Jane puts \$225 a month in an investment account at 4.8% (APR) for 12 years. How much money will she have at the end?

8) You need to buy a TV, DVD, and expert sound system for \$6,125. Best Buy will give you an APR of 6% for 8 years. What is your monthly payment?

9) How much interest will you have paid Best Buy in number 8?

10) You have the choice of buying a \$325,000 house at 6.125% APR for 30 years, or a \$375,000 house at 5.875% APR for 15 years. How much money will you totally pay out at the end of each loan?

11) Every wise cracker says that they will retire at age 35. So if your yearly expenses require \$150,000 a year for the rest of your life (say until age 80). How much money will you need to put away each month starting now (say age 17) until age 35 at 8% to make this dream happen? Good Luck!

12) I want to put a down payment on a house for \$20,000 in 5 years. If I invest my money now at 4.75% APR, how much will I need to put away per month?

13) Find out how much money you will need to put away each month, at about 4% APR, to have \$15,000 when you are 25.

14) You put \$3,500 in an account getting 3% compounded continuously for 4 months. How much interest will you earn?

15) I put \$243 in an account for 25 years at 8% compounded monthly. How much money do I have at the end?