

Nikita takes out a 10-year loan. The loan is repaid by making 10 annual repayments at the end of each year. The first loan repayment is equal to X , with each subsequent repayment 10.16% greater than the previous year's repayment. The annual effective interest rate being charged on the loan is 8%. The amount of interest repaid during the first year is equal to 892.20. Calculate X .

- A 1100
- B 1150
- C 1200
- D 1250
- E 1300

Joe negotiates a \$65,000 mortgage on a house with monthly payments of \$500 for the first year, \$600 for the second year, and \$700 until the final payment. The first payment is due one month after the loan. The annual interest rate is 12% convertible monthly. Find the outstanding balance to the nearest \$500 on Joe's mortgage immediately after the 36th payment.

- A \$64,500
- B \$65,500
- C \$66,500
- D \$67,500
- E Cannot be determined

A loan of \$5,000 is repaid with equal quarterly principal repayments and interest on the outstanding balance. The interest rate charged on the loan is an annual effective rate of 21.55% . The debt is repaid with 20 quarterly payments. The first payment is made at the end of the first quarter. Calculate the total payment in the first year.

- A 1658
- B 1725
- C 1808
- D 1858
- E 1925

A loan is being repaid in five annual payments. The first two payments are \$200. The third and fourth payments are \$400. The final payment is \$500. The annual effective interest rate is 6%. Determine the interest portion of the third payment.

- A Less than \$51
- B At least \$51, but less than \$56
- C At least \$56, but less than \$61
- D At least \$61, but less than \$66
- E \$66 or more

Name:

Sheet#3

Mary Ann bought a new computer for \$2,000 and financed the entire purchase price at a nominal rate of interest payable 12 times per year at 9% per annum. She repaid her loan in 4 years with 48 equal monthly payments at the end of each month.

What was the average interest paid during a month for the first 47 months of the loan?

- A 7.56
- B 7.22
- C 21.23
- D 15.42
- E 8.27