Finance Review

1. Alice Cohen buys a two-year-old Honda from a car dealer for $9,000. She put $500 down and finances the rest through the dealer at 13% add-on interest. If she agrees to make 36 monthly payments, find the size of each payment.

2. First National Bank offers two-year CDs at 9.12% compounded daily, and Citywide Savings offers two-year CDs at 9.13% compounded quarterly. Compute the annual yield for each institution and determine which is more advantageous for the consumer.

3. Find the present value that will give a future value of $9,280 at $9\frac{3}{4}\%$ compounded monthly for 2 years, 3 months.

4. At age 25, Carrie establishes an Individual Retirement Account (IRA). If she invests $4000 per year for 30 years in an ordinary annuity, the account earns 7.75% per year, how much will she have in the account at age 55?

5. Joe wants to have $30,000 five years from now to use for a down payment on a house. How much should he deposit each month into an ordinary annuity that pays an annual rate of 7.7% in order to achieve his goal?

6. Shirley Trembley bought a house for $187,600. She put 20% down and obtained a simple interest amortized loan for the balance at $6\frac{3}{8}\%$ for 30 years.
   a. Find the monthly payment.
   b. Find the total interest.
   c. Shirley has been paying for her house for 13 years, finding the balance due on the house after 13 years of payments.
   d. Complete the amortization schedule below.

Month	Principle Portion	Interest Portion	Total Monthly Payment	Balance Due on Loan
0	███████████	███████████	███████████	

1				
Skip Payments 2 through 155				
156	███████████████████			
157				