

**Give the interest amount and the maturity value for the following simple-interest loans:**

- \_\_\_\_\_ 1. \$9200 at 6% for 5 years
- \_\_\_\_\_ 2. \$2800 at 6.75% for 30 months
- \_\_\_\_\_ 3. \$14,000 at 7.5% for 15 years

**Find the finance charge and monthly payment for the following add-on loans:**

- \_\_\_\_\_ 4. \$8000 at 5.5% for 4 years
- \_\_\_\_\_ 5. \$2200 at 8% for 18 months
6. Name the two things that affect the total payback of a \$50,000 loan.
- \_\_\_\_\_

**Find the interest for a \$5600 loan at 4.6% for 90 days.**

- \_\_\_\_\_ 7. using Banker's Rule
- \_\_\_\_\_ 8. using exact time and exact interest
9. What two things does the Truth-in-Lending Act require a creditor to provide in writing to the borrower?
- \_\_\_\_\_

10. The constant-ratio formula approximates the annual percentage rate (APR). Write what each variable represents in the formula.
- \_\_\_\_\_

$$\text{APR} \approx \frac{2mI}{P(n+1)}$$

- \_\_\_\_\_ 11. Find the APR for the loan in Problem 4. Round to the nearest tenth of a percent.
12. What are the proceeds of a discount loan?
- \_\_\_\_\_

- \_\_\_\_\_ 13. Find the interest and proceeds for a \$9050 discount loan at 9% for  $2\frac{1}{2}$  years.
- \_\_\_\_\_ 14. How large a discount loan would be needed to assure the borrower of receiving \$5000? The discount rate is 4.9%, and he wants to repay the loan after 3 years.