

Chapter 7/ Example 9

Using the finance app

Kathryn would like to buy a new house in 5 years' time. The average price of houses in the area she is considering is €120 000. She has €110 000 in an investment account, which is earning 5.2% interest per year compounded yearly. House inflation is expected to be 3.1% per year. Will she be able to afford an average price house in 5 years' time?

Open a new document and add a Calculator page.

Press **menu** 8:Finance | 1:Finance Solver...

$N = 5$.

$I\% = 5.2 - 3.1$.

$PV = -110000$.

$PMT = 0$.

$FV = 0$.

$PpY = 1$.

$CpY = 1$.

$PmtAt:END$.

Move the cursor back to FV and press **enter** to get the answer.

Since the future value of her investment is €122 045, she will be able to afford the house.