

Chapter 7/ Example 10

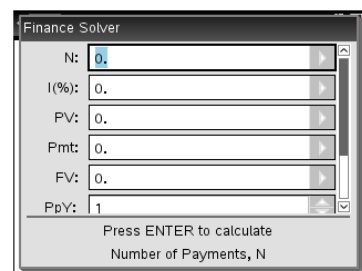
Using the finance app

Jack receives a loan of \$5000 from a bank at an annual interest rate of 7.5% compounded monthly. It is to be repaid in monthly instalments within a 5-year period.

- How much should the monthly instalments be in order to repay the loan on time?
- Jack starts repaying the \$5000 loan with the monthly instalments calculated in part a.
How much will he still owe after the 10th instalment?

Open a new document and add a Calculator page.

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



$N = 60.$

$I\% = 7.5.$

$PV = -5000.$

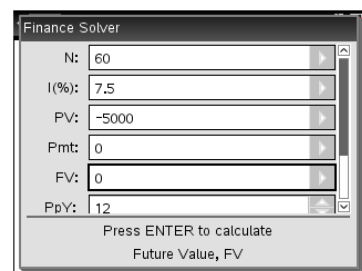
$PMT = 0.$

$FV = 0.$

$PpY = 12.$

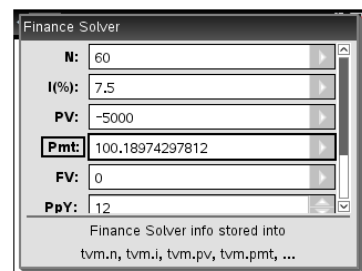
$CpY = 12.$

$PmtAt:END.$



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

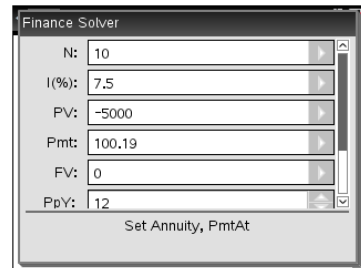
The GDC gives the amount of the monthly instalments (PMT) to be \$100.19.



Chapter 7/ Example 10

Using the finance app

$N = 10.$
 $I\% = 7.5.$
 $PV = -5000.$
 $PMT = 100.19.$
 $FV = 0.$
 $PpY = 12.$
 $CpY = 12.$
 $PmtAt:END.$



Move the cursor back to FV and press **enter** to get the answer.
 The GDC gives the amount of amount of principal that remains to be repaid to be \$4290.88.

