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► Review of attempt 1

Car Loan Practice Problem for Mar 14 Review of attempt 1

Finish review

Started on Thursday, March 3, 2011, 04:54 PM			
Completed on	Sunday, March 13, 2011, 12:45 PM		
Time taken	days 18 hours		
Marks	5/6		
Grade 90 out of a maximum of 100 (90%)			

1 Marks: 0.9/1 Alice is buying a nice new car and will borrow \$24000 for five years at 8% interest, compounded monthly. She will make monthly payments on the car. What will those monthly payments be?

Be sure to round to dollars and cents.

486.63 🗸 .

R = Pr/(1-(1+r)^(-n)), where n = 60 months, P = 24000 loan, r = .08/12 = monthly rate, so $(24000)(.08/12)/(1-(1+.08/12)^-60)$ = 160/.32878956... = 486.63

Correct

Marks for this submission: 1/1. With previous penalties this gives 0.9/1.

History of Responses:

# 🖊	Action	Response	Time	Raw score	Grade
1 (Grade	400	12:42:50 on 13/03/11	0	0
2 (Grade	486.63	12:43:06 on 13/03/11	1	0.9
3 (Close&Grade	486.63	12:43:06 on 13/03/11	1	0.9

2	What will Alice pay in total for the car?		
Marks:			
0.9/1	Be sure to round to dollars and cents.		

29197.80 🗸 .

Total paid: payment per month * number of payments

Correct

Marks for this submission: 1/1. With previous penalties this gives 0.9/1.

History of Responses:

# Action	Response	Time	Raw score	Grade
1 Grade	3400	12:43:19 on 13/03/11	0	0
2 Grade	29197.80	12:43:33 on 13/03/11	1	0.9
3 Close&Grad	de 29197.80	12:43:33 on 13/03/11	1	0.9

3

How much total \$interest will Alice pay?

Marks: 0.9/1

Be sure to round to dollars and cents.

5197.80 🗸 .

The interest paid is the difference between what she paid in total and the loan amount.

Correct

Marks for this submission: 1/1. With previous penalties this gives 0.9/1.

History of Responses:

# Action	Response	Time	Raw score	Grade
1 Grade	3400	12:43:52 on 13/03/11	0	0
2 Grade	5197.80	12:44:05 on 13/03/11	1	0.9
3 Close&Grade	5197.80	12:44:05 on 13/03/11	1	0.9

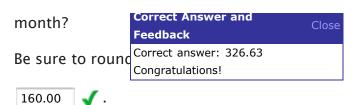
4

Now let's fill out the first month of the amortization table for this loan.

Marks: 2.7/3

We know that the payment each month on the \$24000 with a yearly interest rate of 8% will be \$486.63 as we calculated earlier.

What portion of that money will go towards paying \$ interest on the loan for the first month? In what is the monthly interest for the first



What portion of that money will go towards paying off a part of the loan for the first month?

Be sure to round to dollars and cents.

326.63 🗸 .

How much is owed after the first payment?

Be sure to round to dollars and cents.

23673.37 🗸 .

Correct

Marks for this submission: 3/3. With previous penalties this gives 2.7/3.

History of Responses:

# Action	Response	Time	Raw score	Grade
1 Grade	34, ,	12:44:23 on 13/03/11	0	0
2 Grade	160.00, 326.63, 23673.37	12:44:54 on 13/03/11	3	2.7
3 Close&Grade	160.00, 326.63, 23673.37	12:45:04 on 13/03/11	3	2.7

Finish review

