

Chapter 5 Practice Solutions

Section 5.1

1. 48
2. 10
3. 40%
4. 300
5. About 2.8%
6. About -2.5%
7. a. \$11342.35, b. \$.17418.02
8. 1.40%

Section 5.2

1. a. \$1488, b. \$288
2. Approximately 1.32 years
3. Approximately 11.1%
4. a. \$45460, b. \$5460, c. \$591, d. \$709.20
5. \$6628.92
6. Rate per period is about 2.24% and the annual rate is about 8.96%
7. \$12561.52
8. About 104.32 periods or 8.69 years

Section 5.3

1. \$4.58
2. Average daily balance is \$764.23 and the corresponding finance charge is \$13.19
3. Average daily balance is \$307.68 and the corresponding finance charge is \$5.49

Section 5.4

1. a. \$18294.60, b. \$229388.25, c. Payments total to \$42000 and interest totals to \$187388.25
2. \$314.94

Section 5.5

1. \$960729.60 to nearest cent
2. \$1336.80 to nearest cent
3. a. 892.63 to nearest cent, b. Total payments are 5355.78 with total interest 355.78 d. All numbers to nearest penny

Payment Number	Amount of Payment	Interest in Payment	Amount in Payment Applied to Balance	Outstanding Balance at the End of the Period
0				5000
1	892.63	100.00	792.63	4207.37
2	892.63	84.15	808.48	3398.89
3	892.63	67.98	824.65	2574.24
4	892.63	51.48	841.15	1733.09
5	892.63	34.66	857.97	875.12
6	892.62	17.50	875.12	0

Total payments are 5355.77.

Total interest is 355.77.