

MATH 1300-D WEEK 6

SECTIONS 8.4–5; PAGES 408–422

ABSTRACT. If you finance a \$12,000 car with a 48 month loan at 4%, then the interest for the first month is \$400. After a year, you owe less than \$12,000, so the monthly interest is surely less, but you pay exactly the same amount every month for all 4 years. How does that work?

SECTION 8.4

Reading. Make sure that you understand what is behind the words:

- (1) Future value
- (2) Annuity
- (3) Sinking fund

Self-assessment. To verify that you have understood the material, solve the following problems at the end of the section: 3–4, 11–12, and 34.

Now take Quiz-10; you need to score 75% on this quiz before you can start working Homework-10, which is due on Thursday 1 October.

SECTION 8.5

Reading. Make sure that you understand what is behind the words:

- (1) Amortization
- (2) Amortization schedule
- (3) Refinancing

Self-assessment. To verify that you have understood the material, solve the following problems at the end of the section: 1–2, 12–13, and 35.

Now take Quiz-11; you need to score 75% on this quiz before you can start working Homework-11, which is due on Monday 5 October.