1. The Thailand Co. is considering the purchase of some new equipment. The quote consists of a quarterly payment of $4,740 for 10 years at 6.5 percent interest. What is the purchase price of the equipment? **(**$138,617.88)

2. The condominium at the beach that you want to buy costs $249,500. You plan to make a cash down payment of 20 percent and finance the balance over 10 years at 6.75 percent. What will be the amount of your monthly mortgage payment? **(**$2,291.89)

3. Today, you are purchasing a 15-year, 8 percent annuity at a cost of $70,000. The annuity will pay annual payments. What is the amount of each payment? ($8,178.07)

4. Shannon wants to have $10,000 in an investment account three years from now. The account will pay 0.4 percent interest per month. If Shannon saves money every month, starting one month from now, how much will she have to save each month? ($258.81)

5. Trevor's Tires is offering a set of 4 premium tires on sale for $450. The credit terms are 24 months at $20 per month. What is the interest rate on this offer? (6.27 percent)

6. Top Quality Investments will pay you $2,000 a year for 25 years in exchange for $19,000 today. What interest rate are you earning on this annuity? **(**9.42 percent)

7. You have just won the lottery! You can receive $10,000 a year for 8 years or $57,000 as a lump sum payment today. What is the interest rate on the annuity? (8.22 percent)

8. Around Town Movers recently purchased a new truck costing $97,000. The firm financed this purchase at 8.25 percent interest with monthly payments of $2,379.45. How many years will it take the firm to pay off this debt? (4.0 years)

9.  Expansion, Inc. acquired an additional business unit for $310,000. The seller agreed to accept annual payments of $67,000 at an interest rate of 6.5 percent. How many years will it take Expansion, Inc. to pay for this purchase? (5.68 years)

10. You want to retire early so you know you must start saving money. Thus, you have decided to save $4,500 a year, starting at age 25. You plan to retire as soon as you can accumulate $500,000. If you can earn an average of 11 percent on your savings, how old will you be when you retire? (49.74 years)

11. You just received a credit offer in an email. The company is offering you $6,000 at 12.8 percent interest. The monthly payment is only $110. If you accept this offer, how long will it take you to pay off the loan? (82.17 months)

12. Fred was persuaded to open a credit card account and now owes $5,150 on this card. Fred is not charging any additional purchases because he wants to get this debt paid in full. The card has an APR of 15.1 percent. How much longer will it take Fred to pay off this balance if he makes monthly payments of $70 rather than $85? (93.04 months)

13. Bridget plans to save $150 a month, starting today, for ten years. Jordan plans to save $175 a month for ten years, starting one month from today. Both Bridget and Jordan expect to earn an average return of 8 percent on their savings. At the end of the ten years, Jordan will have approximately \_\_\_\_\_ more than Bridget. ($4,391)

14. What is the future value of weekly payments of $25 for six years at 10 percent? **(**$10,673.90)

15. At the end of this month, Bryan will start saving $80 a month for retirement through his company's retirement plan. His employer will contribute an additional $.25 for every $1.00 that Bryan saves. If he is employed by this firm for 25 more years and earns an average of 11 percent on his retirement savings, how much will Bryan have in his retirement account 25 years from now? ($157,613.33)

16. Sky Investments offers an annuity due with semi-annual payments for 10 years at 7 percent interest. The annuity costs $90,000 today. What is the amount of each annuity payment?
**(**$6,118.35)

17. Mr. Jones just won a lottery prize that will pay him $5,000 a year for thirty years. He will receive the first payment today. If Mr. Jones can earn 5.5 percent on his money, what are his winnings worth to him today? ($76,665.51)

18. You want to save $75 a month for the next 15 years and hope to earn an average rate of return of 14 percent. How much more will you have at the end of the 15 years if you invest your money at the beginning of each month rather than the end of each month? ($530.06)

19. What is the effective annual rate of 10.5 percent compounded semi-annually? (10.78 percent)

20. What is the effective annual rate of 9 percent compounded quarterly? (9.31 percent)

21. Fancy Interiors offers credit to customers at a rate of 1.65 percent per month. What is the effective annual rate of this credit offer? (21.70 percent)

22. What is the effective annual rate of 12.75 percent compounded daily? (13.60 percent)

23. Your grandparents loaned you money at 0.5 percent interest per month. The APR on this loan is \_\_\_\_\_ percent and the EAR is \_\_\_\_\_ percent. (6.00; 6.17)

24. Three years ago, you took out a loan for $9,000. Over those three years, you paid equal monthly payments totaling $11,826. What was the APR on your loan? (18.69 percent)