

Math 112 - Quiz 10

November 9, 2017

Name _____

Score _____

Show all work to receive full credit. Supply explanations when necessary.

1. (7 points) A house sells for \$198,500 and a 6% down payment is made. For the remaining amount, a mortgage is secured at a fixed rate of 4.75% compounded monthly for 30 years.

(a) What is the monthly payment?

(b) When the loan is paid off in 30 years, what will be the total interest paid?

(c) On the back side of this sheet, construct the 1st three rows of the amortization schedule for the loan.

2. (3 points) Carlos has been offered a loan at 9.85% compounded monthly which requires monthly payments of \$324.80 for 6 years. What is the loan amount? When the loan is paid off, how much interest will Carlos have paid?