

Chapter 7: Financial Literacy

Lesson 3: Introduction to Loans (Mortgages and Credit Cards)

④ Question #1: Mortgages

Reference Q.17701

Determine the original loan amount and total number of monthly payments on a property purchased for \$450,000 with a down payment at \$60,000 and a 15 year mortgage.

④ Question #2: Mortgages

Reference Q.17702

How many payments are left on a 20 year mortgage if a borrower has monthly payments for 4 years and 8 months?

④ Question #3: Mortgages

Reference Q.17703

After 13 years 9 months of continuous monthly payments, how many more payments are left on a 25 year mortgage?

④ Question #4: Mortgages

Reference Q.17704

How much was paid down on the total purchase price of a house listed at \$830,000 if the loan amount was \$750,000?

④ Question #5: Mortgages

Reference Q.17705

What is the period interest rate on a mortgage with a 7.1% annual interest rate, compounded monthly?

④ Question #6: Mortgages

Reference Q.17706

What is the period interest rate on a mortgage with a 5.8% annual interest rate, compounded monthly?

④ Question #7: Mortgages

Reference Q.17707

What is the annual interest rate of a mortgage, if the period interest rate, compounded monthly, is 0.528%?

④ Question #8: Mortgages

Reference Q.17708

What is the annual interest rate of a mortgage if the period interest rate, compounded monthly, is 0.397%?

④ Question #9: Mortgages

Reference Q.17709

How much interest is paid on a principal of \$85,000 during one month if the annual rate is 6.7%?

④ Question #10: Mortgages

Reference Q.17710

How much interest accrues during one month on a \$125,000 mortgage if the annual rate is 4.9%?

④ Question #11: Mortgages

Reference Q.17716

Given a monthly payment of \$1,700 on a \$200,000 mortgage with a 4% APR, determine the portion of the monthly payment that will go to the interest and the principal for the second month.

④ Question #12: Mortgages

Reference Q.17717

Given a monthly payment of \$2600 on a \$400,000 mortgage with a 4.9% APR, determine the portion of the monthly payment that will go to the interest and the principal for the first two months.

④ Question #13: Mortgages

Reference Q.17718

Given a monthly payment of \$4,800 on a \$800,000 mortgage with a 5% APR, determine the portion of the monthly payment that will that will go to the interest and the principal for the first three months.

④ Question #14: TVM Solver13

Reference Q.20445

You are purchasing a house and you need to take out a mortgage of \$350,000. The bank offers you 5.3% yearly interest, compounded monthly. If you want to pay off your house in 30 years, what monthly payment do you have to make?

④ Question #15: TVM Solver14

Reference Q.20446

You are purchasing a house and you need to take out a mortgage of \$600,000. The bank offers you 4.1% yearly interest, compounded monthly. If you want to pay off your house in 25 years, what monthly payment do you have to make?

④ Question #16: TVM Solver15

Reference Q.20447

You are purchasing a house and you need to take out a mortgage of \$250,000. The bank offers you 4.9% yearly interest, compounded monthly. If you make monthly payments of \$1,500, how many years will it take to pay off the house?

④ Question #17: TVM Solver16

Reference Q.20448

You want to pay off your mortgage faster by making bi-weekly payments. Determine how much your payment will be to pay off a \$500,000 mortgage in 25 years given that there is 4.5% yearly interest, compounded monthly.

④ Question #18: TVM Solver17

Reference Q.20449

Determine the amortization period for a \$375,000 mortgage if the bank is offering 4.5% yearly interest, compounded monthly, and you plan on making bi-weekly payments of \$940.

④ Question #19: TVM Solver18

Reference Q.20450

Determine the amortization period for a \$375,000 mortgage if the bank is offering 4.5% yearly interest, compounded monthly, and you plan on monthly payments of \$1,880.

④ Question #20: TVM Solver19

Reference Q.20451

Credit cards usually compound interest on a daily basis. If you have a balance of \$500, how long will it take you to pay off the balance if you make \$100/month payments and there is a 19% yearly interest?

④ Question #21: TVM Solver20

Reference Q.20452

Credit cards usually compound interest on a daily basis. If you have a balance of \$1000, how long will it take you to pay off the balance if you make \$100/month payments and there is a 19% yearly interest?

② **Question #22: TVM Solver21**

Reference Q.20453

Credit cards usually compound interest on a daily basis. If you have a balance of \$1000, how long will it take you to pay off the balance if you make \$50/month payments and there is a 19% yearly interest?

② **Question #23: TVM Solver22**

Reference Q.20454

If you had a \$1,500 balance on a credit card. What should your monthly payments be if you wanted to pay it off within one year given that there is 22% interest, compounded daily?

② **Question #24: TVM Solver23**

Reference Q.20455

If you had a \$1,500 balance on a credit card. What should your bi-weekly payments be if you wanted to pay it off within one year given that there is 22% interest, compounded daily?

② **Question #25: TVM Solver24**

Reference Q.20456

You just finished your post-secondary schooling and have \$45,000 in student debt that you have to start paying off. If you make a goal to pay it off within ten years, what should your monthly payment be if the interest is 6.5%, compounded monthly?