

Question 1

Bow Valley Credit Union entered a lease contract valued at \$3100.00. The contract provides for payments at the beginning of each month for three years. If interest is 8.8% compounded quarterly, what is the size of the monthly payment?

Answer: <https://biology-forums.com/index.php?topic=820803>

Question 2

Calculate the final answer for the following expression: $(10^3 + 20^2) \div 20$

- A) 50.00
- B) 20.00
- C) 70.00
- D) 3.5
- E) 5000

Answer: <https://biology-forums.com/index.php?topic=818764>

Question 3

Calculate the amount of interest that will be charged on \$9000.00 borrowed for four months at 9.0%.

Answer: <https://biology-forums.com/index.php?topic=819736>

Question 4

How much interest is paid after the first payment interval on a \$100 000 mortgage? The mortgage is amortized over 25 years and the payments are monthly. The interest rate is 6% compounded semi-annually. Round your answer to the nearest dollar.

- A) \$146
- B) \$640
- C) \$527
- D) \$494
- E) \$401

Answer: <https://biology-forums.com/index.php?topic=820987>

Question 5

PWC recently proposed to BMO to change the method of compounding interest on line of credit accounts to monthly compounding, as part of the marketing campaign. If the current rate is 2.5% compounded quarterly, what nominal rate should the PWC suggest to BMO executives to maintain the same effective rate of interest?

- A) 0.208%
- B) 2.495%
- C) 3.773%
- D) 2.5%
- E) 2.75%

Answer: <https://biology-forums.com/index.php?topic=820469>

Question 6

Sears is adding a new line of John Deere lawn mowers. The cost of each such lawn mower is \$321.00 with an operating cost of adding this line is estimated to be 40% of the cost of each unit. If Sears matches the competition's retail price of \$649 on each lawn mower, what will be the operating profit per unit?

- A) \$328
- B) \$199.60
- C) \$128.40
- D) \$259.60
- E) \$61.40

Answer: <https://biology-forums.com/index.php?topic=819694>

Question 7

Roxanne contributes \$167.00 at the beginning of every six months into an RRSP paying interest at 8.9% compounded semi-annually.

- a) How much will her RRSP deposits amount to in 31.5 years?
- b) How much of the amount will be interest?

Answer: <https://biology-forums.com/index.php?topic=820768>

Question 8

Calculate the effective annual rate for 10% p.a. compounded quarterly.

- A) 0.1038%
- B) 1.038%
- C) 10.38%
- D) 10%
- E) 2.5%

Answer: <https://biology-forums.com/index.php?topic=820417>

Question 9

You want to retire with \$370 000 in the bank and you are able to earn 4.84% compounded quarterly for the next 25 years. You currently have \$175 000 saved up. How much more do you have to invest in 15 years in order to achieve your goal?

- A) \$100 649.58
- B) \$110 649.58
- C) \$120 649.58
- D) \$130 649.58
- E) \$0.00

Answer: <https://biology-forums.com/index.php?topic=820216>

Question 10

The Olfert Contractors, Inc., are saving \$958.00 every month in order to purchase a new paving machine in twelve years. Their savings certificates pay 6% p.a. compounded monthly. How much of the maturity value will be interest?

Answer: <https://biology-forums.com/index.php?topic=820483>

Question 11

A 3D printer listed at \$3499.00 has a net price of \$2599.00. What is the rate of discount?

Answer: <https://biology-forums.com/index.php?topic=819708>

Question 12

Big Printing Inc. is repaying a loan of \$37 300.00 by making payments of \$2300.00 at the end of every three months. If interest is 3.5% compounded quarterly, construct an amortization schedule showing the total paid and the total cost of the loan. What is the total interest paid and cost of the loan?

Answer: <https://biology-forums.com/index.php?topic=821007>

Question 13

A five-year, \$2000.00 note bearing interest at 10% compounded annually was discounted at 12% compounded semi-annually yielding proceeds of \$1900.00. How many months before the due date was the discount date?

Answer: <https://biology-forums.com/index.php?topic=820347>

Question 14

Rebecca borrowed \$20 400 from her local credit union to pay for the upgrades in her kitchen. She wants to pay the loan with monthly payments over a period of 3 years. What is the interest included in the tenth payment, if the rate charged by the credit union is 6% monthly?

- A) \$78.19
- B) \$5698.49
- C) \$21 336.56
- D) \$15 638.09
- E) \$75.48

Answer: <https://biology-forums.com/index.php?topic=821078>

Question 15

Simplify the expression: $5(4x - 2)$

Answer: <https://biology-forums.com/index.php?topic=818832>

Question 16

Sean and Jessica want to sell their interest in a small business. They have received two offers. If they accept Offer A they will receive \$40 000 immediately and \$30 000 in two years. If they accept Offer B they will receive \$50 000 now and \$2000 at the end of every six months for 5 years. If

interest is 8%, which offer is preferable?

Answer: <https://biology-forums.com/index.php?topic=821186>

Question 17

A \$100 000 bond is redeemable at 105 in 20 years. If interest on the bond is 5% payable semi-annually, what is the purchase price to yield 6% compounded semi-annually?

Answer: <https://biology-forums.com/index.php?topic=821084>

Question 18

Payments of \$1000.00 deferred for nine years are received at the end of each month from a fund of \$20 000.00 deposited today at 6% compounded monthly. Calculate the size of the final payment.

Answer: <https://biology-forums.com/index.php?topic=821030>

Question 19

The age difference between my son and me is 30 years. In 3 years from today, I will be thrice as old as my son. What is my age now?

- A) 12
- B) 42
- C) 38
- D) 45
- E) 15

Answer: <https://biology-forums.com/index.php?topic=819499>

Question 20

A salesperson receives a commission of 5% on the first \$1500.00 of sales during a week. On the next \$5000.00 she receives a commission of 10.5%. On any additional sales, the commission rate is 11.75%. Find her gross earnings for a week during which her sales amount to \$12 400.00.

Answer: <https://biology-forums.com/index.php?topic=818708>