

Period: \_\_\_\_\_

Name: \_\_\_\_\_

### **Chapter 8 Assignment - Finance**

**/36**

1. Karl is purchasing a new television that costs \$2250. He has two different options to finance the purchase and he wants to **pay off the debt in a year** by making regular monthly payments. Which of the following options is the better deal, and what is the difference in amount owing? (3 marks)  
  
**Option A:** Finance the purchase through the store at an interest rate of 12.1%, compounded semi-weekly.  
**Option B:** Finance the purchase with a line of credit at an interest rate of 10.2%, compounded daily.
  
2. Determine the **interest rate** of a \$75 000 10-year simple interest investment if the future value of the investment is \$80 000. (2 marks)
  
3. Determine the **future value** of quarterly deposits of \$1000 into an account that pays 5.1% interest, compounded quarterly, for 19 years. (2 marks)



8. (0.5 marks each)

The stock information for Apple Inc. over 52 weeks is given.

Stock	High	Low	Div	YLD%	P/E	Vol (1000's)	Close	Net CHG
AAPL	118.69	89.47	2.28	-----	-----	32163	116.02	+ 0.02

- a. What was the highest price that the stock sold for during the last 52 weeks?
- b. What was the lowest price the stock sold for during the last 52 weeks?
- c. What was the amount of dividend per share that the company paid last year?
- d. If you own 850 shares, how much in dividends did you make last year?
- e. How many shares were traded yesterday? \_\_\_\_\_
- f. What was the closing price of the stock yesterday? \_\_\_\_\_
- g. Find the P/E ratio, if the earnings per share are \$8.29
- h. What was the closing price of the stock the day before yesterday?
- i. Find the yield for Apple Inc. Stock.
- j. If you purchased 400 shares of Apple Inc. at the low price in the last 52 weeks and sold at the close price, what profit did you make? (omit dividends)

9. An investor purchased 200 shares of stock for \$35.50 per share, and later sold them for \$41.20. The broker's commission was 1.6% on both the purchase and selling price. Find the **amount the investor made or lost on the stock**. (3 marks)
10. On December 1<sup>st</sup>, Marvin has an unpaid balance of \$1305.50 on his credit card. In December, he made purchases of \$398.60 and made a balance on the payment of \$450.00. The monthly interest on the unpaid balance was 2.5%. Find the **finance charges (interest) and the new balance on January 1<sup>st</sup>**. (3 marks)
11. Jamie bought a new car for \$26000. She made a down payment of 15% and paid off the balance in monthly payments over 2 years. Find the **monthly payment** if the interest rate is 12% on the amount financed. (3 marks)
12. What is the **total interest paid** on a \$650 000 mortgage at 6.5% compounded monthly over 30 years? (2 marks)

