

Version 1: Single-Payment Loans

1. Deb borrowed a single-payment loan of \$8,000 at an interest rate of 10%. The term of the loan is 120 days. What is the maturity value of her loan at exact interest?
2. Carter Fenton is planning to borrow \$1,600 from Christine O'Brian. He is willing to pay back in 105 days at an interest rate of 7.5% ordinary interest. What is the maturity value of his loan?
3. To purchase furniture for her new apartment, Jane Wall borrowed \$4000 at 8% exact interest for 200 days. Calculate the maturity value of the loan.
4. You borrowed \$85,000 at 12% ordinary interest for 30 days. Determine the maturity value of the loan.
5. Janet and Mercy wants to borrow \$50,000 for 120 days to finance their business. Security Bank charges 11% exact interest while State Savings and Loan charges 12.5% ordinary interest.
Calculate the maturity value at each bank.
Which is the best bank for them to borrow the money?
6. Bank A charges ordinary interest, while bank B charges exact interest. Susan Carsten wants to borrow \$11,000 for 90 days at 9%.
 - a) Calculate the cost of interest at each bank.
 - b) Which bank offers a better deal?
7. George Duda has an option to lend \$5,000 at 10% interest for 120 days.
If he charges ordinary interest, how much will he earn?
If he charges exact interest, how much will he earn?

