

Answer Key for Support Problems

1: After tax deposit interest: $\$650 \times .85 = \552.50

Loan Interest: $\$700$

You are losing $\$147.50$

2: Option 1: $\$1,216.40$ ($\$1102.28$ is the CD's balance after 18 months.)

Option 2: $\$1,212.21$

Option 3: $\$1,202.28$

3: $(1,250 \times 1.065) + 35 = 1366.25 \dots 116.25/1250 = 9.3\%$

$\$1,200$ with $\$30$ fee would be 9%

4: $60/500 = 12\%$