



## *Tommy's Buys a Car*

Computing Payments with Calculator

It was the summer before Tommy's senior year in high school. He had long ago successfully finished driver's training and passed his driver's test. He now felt it was time to buy a car, but did he pass the dad's test? Did his dad feel that he was ready to own and drive a car? His dad required Tommy to make the honor roll as well as fulfilling his responsibilities at home. He had talked this over with his dad many times during the past few years. Dad asked Tommy how much he could afford per month for a car payment.

Dad told Tommy that, if he was not going to pay cash for the car, he would have to pay close attention to the loan term (number of months) and interest rate.

Using the calculator, how much would your car payment be per month using the following scenarios:

### **Scenario 1**

Purchase Price	5,500.00
Down Payment	500.00
Annual Interest Rate	7.9
Term of Loan (months)	60
Monthly Payment	

### **Scenario 2**

Purchase Price	8,000.00
Down Payment	1000.00
Annual Interest Rate	4.9
Term of Loan (months)	48
Monthly Payment	

### **Scenario 3**

Purchase Price	9,250.00
Down Payment	250.00
Annual Interest Rate	6.5
Term of Loan (months)	72
Monthly Payment	

### **Scenario 4**

Purchase Price	7,500.00
Down Payment	0
Annual Interest Rate	9.0
Term of Loan (months)	36
Monthly Payment	