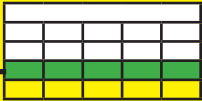

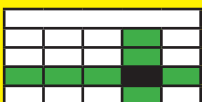



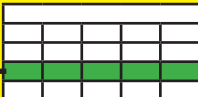







**Worksheets A3.a-d:** For use with Table 9.2 (Total cost of a loan:2-30 years), Table 9.6 (Total Cost of a loan:1-12 months), and Table 9.7 (Total cost of a loan:1-12 weeks).

<b>(a) Determining a Total Cost</b>	
<b>Inputs Needed:</b> <i>Rate, Duration, Cash Price</i>	
1. Enter <i>Rate</i> (in annual percent):	
2. Enter <i>Duration</i> :	
3. Locate row with <i>Rate</i> .	<b>Rate</b> 
4. Locate column with <i>Duration</i> .	<b>Duration</b> 
5. Enter value from box at the row-column intersection.	
6. Enter <i>Cash Price</i> (in dollars).	
7. Divide Box 6 by 1000.	
8. Multiply Box 5 by Box 7 for the <i>Total Cost</i> :	

<b>(b) Determining a Rate</b>	
<b>Inputs Needed:</b> <i>Total Cost, Cash Price, Duration</i>	
1. Enter <i>Total Cost</i> (in dollars):	
2. Enter <i>Cash Price</i> (in dollars):	
3. Divide Box 1 by Box 2.	
4. Multiply Box 3 by 1000.	
5. Enter <i>Duration</i> :	
6. Locate column with <i>Duration</i> .	<b>Duration</b> 
7. Find the value in the duration column closest to the value in Box 4.	
8. Result is the <i>Rate</i> for the corresponding row.	<b>Rate</b> 

For examples see Chapter 9: Examples 9.6 through 9.9 and Examples 9.18 through 9.21; Chapter 10: Examples 10.1 through 10.6.

<b>(c) Determining a Duration</b>	
<b>Inputs Needed: Total Cost, Cash Price, Rate</b>	
1. Enter <i>Total Cost</i> (in dollars):	
2. Enter <i>Cash Price</i> (in dollars):	
3. Divide Box 1 by Box 2.	
4. Multiply Box 3 by 1000.	
5. Enter <i>Rate</i> (in annual percent):	
6. Locate row with the <i>Rate</i> .	<div style="display: flex; align-items: center;"> <div style="margin-right: 10px;"><b>Rate</b> _____</div>  </div>
7. Find the value in the rate row closest to the value in Box 4.	
8. Result is the <i>Duration</i> for the corresponding column.	<div style="display: flex; align-items: center;"> <div style="margin-right: 10px;"><b>Duration</b> _____</div>  </div>

<b>(d) Determining a Cash Price</b>	
<b>Inputs Needed: Rate, Duration, Total Cost</b>	
1. Enter <i>Rate</i> (in annual percent):	
2. Enter <i>Duration</i> :	
3. Locate row with <i>Rate</i> .	<div style="display: flex; align-items: center;"> <div style="margin-right: 10px;"><b>Rate</b> _____</div>  </div>
4. Locate column with <i>Duration</i> .	<div style="display: flex; align-items: center;"> <div style="margin-right: 10px;"><b>Duration</b> _____</div>  </div>
5. Enter value from box at the row-column intersection:	
6. Divide Box 5 by 1000.	
7. Enter <i>Total Cost</i> (in dollars):	
8. Divide Box 7 by Box 6 for the <i>Cash Price</i> :	