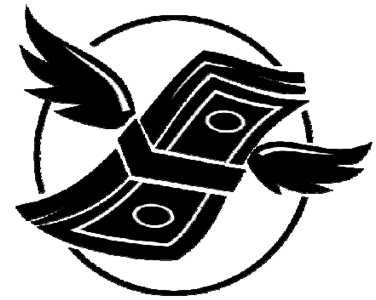
Name ______________________________ Date ____________________________

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?