

Page 4

$$\begin{aligned}
 7. \quad \$130 &= P \times \frac{.045}{12} \\
 &\quad \left[1 - \left(1 + \frac{.045}{12} \right)^{-48} \right] \\
 &= P \times \frac{.00375}{\left[1 - 1.00375^{-48} \right]} \\
 &= P \times \frac{.00375}{1 - .8355514597} = \frac{.00375}{.1644485403} \\
 &\quad P \times .0228034861 \\
 \text{SO } P &= \frac{130}{.0228034861} = \$5700.88
 \end{aligned}$$

$$\begin{aligned}
 8. \quad \text{PMT} &= 900 \times \frac{.20}{12} \\
 &\quad \left[1 - \left(1 + \frac{.20}{12} \right)^{-12 \times 3} \right] \\
 &= \frac{900 \times .0166666667}{1 - 1.0166666667^{-36}} = \frac{15}{1 - .5515323017} = \frac{15}{.4484676983} \\
 &= \$33.48
 \end{aligned}$$

$$33.48 \times 36 = \$1205.28 \text{ total}$$