Instructions

• Homework will NOT be accepted through email or in person. Poppers must be submitted through CourseWare. BEFORE the deadline.
• Submit the completed assignment at http://www.casa.uh.edu under “EMCF” and choose Popper 11.

1. Do not ask on the discussion board, what was the answer to question 1 from Monday’s lecture, so mark the same answer according to the video?

2. Do not ask on the discussion board, what was the answer to question 2 from Monday’s lecture, so mark the same answer according to the video?

3. The Flores Family loves to go sailing on the weekends. Mr. Flores has decided to purchase a more spacious sailboat. The sailboat he is interested in buying in 3 years will cost him $20,000. An account at Invest Well Bank earns 2% per year compounded monthly. How much should Mr. Flores deposit in this account at the beginning of each month to be able to pay cash for the sailboat in 3 years?
   a. 513.24
   b. 565.80
   c. 539.52
   d. 549.52
   e. 662.09

4. Edwin and Frances are buying a new home. The purchase price is $155,000. They will make a 10% down payment on the house. Their loan for the house is a 30 year conventional loan at 6.75% per year compounded monthly. Find their monthly payment. Identify the type of problem.
   a. Sinking Fund
   b. Present Value with Compound Interest
   c. Present Value of an Annuity
   d. Amortization
5. A certain company has purchased new swivel chairs for its employees. The company made the purchase on a credit plan at Buy Right. Their monthly payments are $1,000 for 3 years. Buy Right will charge 2.25% per year compounded monthly. How much was the original total price of the furniture? Identify this type of problem.

a. Future Value with compound interest
b. Amortization
c. Future Value of an Annuity
d. Sinking Fund
e. Present Value of an Annuity