

Chapter 5 Review

The following advertisement appeared in a newspaper.

Country in the City

- 4+1 bedrooms on half-acre ravine lot
- 3 bathrooms
- solar-heated indoor pool
- many recent upgrades
- \$599 900
- Must be seen to be believed!



1. Round the price to the nearest thousand dollars. \$ _____
2. Explain 4+1 bedrooms.

3. a) After selling your current home for \$293 500 and paying some bills, you make a down payment of \$250 000. The mortgage on your new home is \$349 900. The mortgage will be amortized over 25 years at a rate of 5.32%. Use a TVM solver or an online calculator to determine the monthly mortgage payment.

N: _____, **I%:** _____, **PV:** _____, **PMT:** _____,

FV: _____, **P/Y:** _____, **C/Y:** _____, **PMT: END BEGIN**

- b) If you made monthly payments for 25 years, what is the total amount that you would repay the bank?

- c) What is the total amount of interest that you would pay?

- d) What is the total amount that you would pay for your home, including the down payment?

4. The spreadsheet shows last year's expenses for the home in #1.

a) Complete column G and row 14.

b) Which month had the greatest home expenses? _____

c) What was the average monthly cost for natural gas?

d) On average, how much was spent on household expenses each month?

	A	B	C	D	E	F	G
1		Property Tax	Natural Gas	Electricity	Water	Cable/Internet/Phone	Total Monthly Expense
2	January		272.89	340.22		146.99	
3	February	1050.00	303.28			146.99	
4	March		274.09	301.46	189.12	146.99	
5	April		232.13			146.99	
6	May	1050.00	197.30	338.36		146.99	
7	June		187.37			146.99	
8	July		177.37	368.79	264.21	146.99	
9	August	1050.00	164.21			146.99	
10	September		217.06	312.42		146.99	
11	October		244.49			132.47	
12	November	1050.00	290.25	416.68	277.09	132.47	
13	December		278.89	340.22		132.47	
14	Total Annual Cost						

5. List 3 other expenses that you would expect to pay if you owned this home.

a) _____

b) _____

c) _____