

Unit 7 - Week 6

Course outline

How to access the portal

Week 1

Week 2

Week 3

Week 4

Week 5

Week 6

Analysis of Credit and Loans

Assessing Interest and Structured Payments in Loans

Introduction to Cost of Credit and Amortization

Analysis of Amortization Schedule

Graduated Payment Mortgage, Sinking Funds

Quiz : Assignment 6

Solution for Assignment 6

Week 7

Week 8

Week 9

Week 10

Week 11

Week 12

Text Transcripts

Download Videos

Feedback

Assignment 6

The due date for submitting this assignment has passed.
As per our records you have not submitted this assignment.

Due on 2020-03-11, 23:59 IST.

1) A person borrowed a loan of Rs. 200000 at interest rate of 10% for 2 years and it breaks down into 24 monthly payments. The monthly interest portion (MIP) and the monthly principal portion (MPP) is **1 point**

- Rs. 40000, Rs. 10000
 Rs. 1666.67, Rs. 8333.33
 Rs. 8333.33, Rs. 1666.67
 Rs. 10000, Rs. 40000

No, the answer is incorrect.
Score: 0

Accepted Answers:
Rs. 1666.67, Rs. 8333.33

2) The monthly portion for the fourth payment in a 36-payment loan is.....Where, P is the principal and I is the total interest. **1 point**

- $\frac{33}{666}(P)$
 $\frac{4}{666}(P)$
 $\frac{4}{666}(I)$
 $\frac{33}{666}(I)$

No, the answer is incorrect.
Score: 0

Accepted Answers:
 $\frac{33}{666}(I)$

3) The present value of a stream of cash flows, the first of which is Rs. 3000, that grow at a rate of 4% annually for 20 years given that the interest rate is 9% is **1 point**

- Rs. 38004
 Rs. 40000
 Rs. 39004
 Rs. 35004

No, the answer is incorrect.
Score: 0

Accepted Answers:
Rs. 38004

4) A mortgage loan of Rs. 500000 at 4% compounded annually for 20 years is paid off after only 4 years. The mortgage contract has a prepayment penalty of 4 months of interest on the remaining balance. The prepayment penalty is **1 point**

- Rs. 3029.90
 Rs. 5722.22
 Rs. 429166.62
 Rs. 68666.65

No, the answer is incorrect.
Score: 0

Accepted Answers:
Rs. 5722.22

5) Suresh borrowed Rs. 1500000 at 8% simple interest for 5 years. The total interest he has to pay for his loan is **1 point**

- Rs. 60000
 Rs. 600000
 Rs. 500000
 Rs. 450000

No, the answer is incorrect.
Score: 0

Accepted Answers:
Rs. 600000

6) The quarterly deposit into a sinking fund paying 7% compound interest to pay off a debt of Rs. 400000 in 12 years is **1 point**

- Rs. 8245.16
 Rs. 7000.16
 Rs. 5386.27
 Rs. 8000.16

No, the answer is incorrect.
Score: 0

Accepted Answers:
Rs. 5386.27

7) If number of payments within a year is 4, the principal or the original amount borrowed is Rs. 2560, the total number of payments throughout the maturity period is 12, and the total interest is Rs. 490. Then actual annual percentage rate would be **1 point**

- 5.89%
 10.93%
 12.76%
 11.78%

No, the answer is incorrect.
Score: 0

Accepted Answers:
11.78%

8) Furniture is purchased for Rs. 80000 with a down payment of Rs. 12000 at an annual interest rate of 9% for 15 years. The unpaid balance after 10 years of making payments would be **1 point**

- Rs. 32652.75
 Rs. 25124.75
 Rs. 33225.17
 Rs. 34255.60

No, the answer is incorrect.
Score: 0

Accepted Answers:
Rs. 33225.17

9) The number of mortgage payments were left on Ram's house if the remaining balance is Rs. 72375.15 given that he purchased it at 14% interest and has been making a monthly payment of Rs. 900 is **1 point**

- 200 payments
 300 payments
 260 payments
 240 payments

No, the answer is incorrect.
Score: 0

Accepted Answers:
240 payments

10) For a 9 years term, the denominator in the rule of 78 method would be **1 point**

- 3081
 45
 2628
 5886

No, the answer is incorrect.
Score: 0

Accepted Answers:
5886