**Midterm Review - FINANCE**

1. When do you start paying interest on your credit card?
2. Explain what leasing means.
3. What are the pros and cons of leasing compared to buying?
4. What type of investments do you know?
5. You want to buy $250 000 boat.

You make a $25 000 down payment and you borrow the rest over 15 years with a 6% annual interest rate, compounded quarterly. What will be your monthly payments?

1. You’re buying a $350 000 apartment.

You’re making $35 000 down payment and then you borrow the rest over 20 years with a 5% annual interest rate compounded semi-annually.   
a) What will be your monthly payment?  
  
  
  
  
  
  
  
  
b) What will be the total cost of the appartment?

1. If you’re investing $10 000 with a 9% annual interest rate, compounded monthly.   
   What will be your investment worth in 10 years?
2. If you’re investing $20 000 at a 4% annual interest rate, compounded quarterly, what will be your investment after 15 years?