

Section 3.2 Additional Problems

1. A 10 year loan is being repaid with level monthly payments at the end of each month. The nominal interest rate is 6% compounded monthly. When will the outstanding balance be less than one half of the original loan amount?
2. A loan is being with level payments of K at the end of each month. The consecutive outstanding balances are \$7,733.95, \$7,533.34, and \$7,326.72. Find K .