Finance Project

Task 1: Your first task is to “buy” two of your dream items: your dream home and your
dream car. You must go to the Internet and find a website to buy your dream home (see suggested websites). You must then go to a website and find your dream car.

*Suggested Websites:*

Homes: [www.remax.com](http://www.remax.com), [www.globalhouseplans.com](http://www.globalhouseplans.com), [www.realtor.com](http://www.realtor.com), [www.360house.com](http://www.360house.com), [www.zillow.com](http://www.zillow.com)

Car: [www.ford.com](http://www.ford.com), [www.honda.com](http://www.honda.com), etc. [www.autotrader.com](http://www.autotrader.com) or [www.carmax.com](http://www.carmax.com)

Task 2: Once you have found the price of your dream item, you must apply to the Bulldog Bank and Trust for a loan to pay for your item. You will have to fill out the application with all of the information about your dream item.

Task 3: Bring your application to the bank manager (teacher) and you will be given your interest rate and your down payment amount.

With this information, use the finance application of your TI-83+ calculator. Select the TVM Solver under Calculate. A screen like this will appear:

* N: number of payments
* I%: interest rate
* PV: present value (the amount of the

 loan you are taking out)

* PMT: (should be negative) the amount

 of each payment

* FV: future value (what you’ll end up

paying to the Bulldog Bank and Trust
 with interest at the end of your payment time)

* P/Y: payments per year (generally 12)
* C/Y: compounded per year (keep same as P/Y)

There are several things you may solve for: (Your cursor must be on the line you are solving for. Use Alpha Enter (Solve) to find the value)

Determine each component and solve (USE Alpha Enter (Solve) to find the value).

Task 4: You will then fill out your final calculations to compare how much you actually paid versus how much your home/car loan was originally worth.

**Application for a Home Mortgage Loan**

**Bulldog Bank & Trust**

Name of Applicant: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Location of home (neighborhood, city, state): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Description of home:

Number of bedrooms: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Number of bathrooms: \_\_\_\_\_\_\_\_\_\_\_\_\_

Square Footage: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Additional Amenities:

Picture of the house or a link to go directly to house website:

Total Price: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Website where you found the home: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

To be filled out by Bulldog Bank & Trust personnel

Interest Rate: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Down Payment Required: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Number of years of the loan: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Application for an Auto Loan**

**Bulldog Bank & Trust**

Name of Applicant: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Car Make: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Model: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Car body type: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Engine: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Wheels: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Any Extras: ­­­­­­­­­­­­­­\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

New or Used? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Picture of the car or a link to go directly to car website:

 **Cost** for this vehicle: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Tax amount (7.75% of cost): (+) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Registration and Fees amount (1.5% of cost): (+) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Total Amount to Finance: = \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 *(Add Cost + Tax + Fees)*

Where are you purchasing car: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Website: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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**To be filled out by Bulldog Bank & Trust personnel**

**Interest Rate: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Down Payment Required: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Number of payment Options: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Final Calculations:**

Home Calculations:

Based on the cost of your home and the loan you selected there will be a required monthly payment. (See your teacher for details about this actual amount.)

 Write the monthly payment here: \_\_\_\_\_\_\_\_\_\_\_\_\_

What was the total amount you **actually** paid for the home?

 ($\_\_\_\_\_\_\_\_\_\_\_\_\_per month)(\_\_\_\_\_\_\_\_\_\_\_\_months)= $ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Total

How much more than the actual cost of the vehicle did you spend on interest?

 $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (total spent)

 – $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (home cost)

 = $ \_\_\_\_\_\_\_\_\_\_\_\_ 🡨 Interest

Car Calculations:

Based on the cost of your vehicle and the loan you selected there will be a required monthly payment. (See your teacher for details about this actual amount.)

 Write the monthly payment here: \_\_\_\_\_\_\_\_\_\_\_\_\_

What was the total amount you **actually** paid for the car?

 ($\_\_\_\_\_\_\_\_\_\_\_\_\_per month)(\_\_\_\_\_\_\_\_\_\_\_\_months)= $ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Total

How much more than the actual cost of the vehicle did you spend on interest?

 $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (total spent)

 – $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (vehicle cost)

 = $ \_\_\_\_\_\_\_\_\_\_\_\_ 🡨 Interest