ANNUAL PERCENTAGE RATE (APR) [PIRNOT 8.6]

TABLE OF FINANCE CHARGES PER $100 (FCPH):

NUMBER OF PAYMENTS	APR						
	10%	11%	12%	13%	14%	15%	16%
6	$2.94	$3.23	$3.53	$3.83	$4.12	$4.42	$4.72
12	$5.50	$6.06	$6.62	$7.18	$7.74	$8.31	$8.88
24	$10.75	$11.86	$12.98	$14.10	$15.23	$16.37	$17.51
36	$16.16	$17.86	$19.57	$21.30	$23.04	$24.80	$26.57
48	$21.74	$24.06	$26.40	$28.77	$31.17	$33.59	$36.03

EX 8.6.1: Anne pays a finance charge of $300 on a 12-month, $3500 computer loan.

    (a) Find the finance charge per $100 financed.

    (b) Find the APR using the above table.

EX 8.6.2: Nathan has agreed to pay off a $5000 loan for remodeling his house by making 36 payments of $165.

    (a) Find the finance charge per $100 financed.

    (b) Find the APR using the above table.

EX 8.6.3: Alice took out a 48-month, $6000 add-on loan at an annual (simple) interest rate of 8% for a vacation trip.

    (a) Find the APR using the above table.

    (b) Estimate the APR using the formula: $\quad \text{APR} \approx \dfrac{2nr}{n+1}$