

**BMW Amortization**

<b>Cost</b>	<b>55,000.00</b>
<b>Downpayment</b>	<b><u>(5,000.00)</u></b>
<b>Amount Financed</b>	<b>50,000.00</b>

If the payments were monthly

**2nd CLR TVM**

**50,000.00 PV**

**4 I/Y**

**5 N**

**CPT PMT            11,231.36**

**50,000.00 PV**

**4 /12 =I/Y**

**5 x 12 = N**

**CPT PMT            920.83**

**BMW Amortization**

<b>Cost</b>	<b>55,000.00</b>
<b>Downpayment</b>	<b><u>(5,000.00)</u></b>
<b>Amount Financed</b>	<b>50,000.00</b>

**2nd CLR TVM**

**50,000.00 PV**

**4 ÷ 12 = I/Y**

**60 N**

**CPT PMT                      920.83**

**BMW Amortization**

<u>Year</u>	<u>Payments</u>	<u>Applied to</u>		<u>Ending</u>	<u>2nd CLR TVM</u>	
		<u>Interest 4%</u>	<u>Principal</u>	<u>Principal Balance</u>		
<b>Cost</b>				<b>55,000.00</b>	<b>50,000.00</b>	<b>PV</b>
<b>Down</b>	<b>5,000.00</b>		<b>5,000.00</b>	<b>50,000.00</b>		
<b>1</b>	<b>11,231.36</b>	<b>2,000.00</b>	<b>9,231.36</b>	<b>40,768.64</b>	<b>4</b>	<b>I/Y</b>
<b>2</b>	<b>11,231.36</b>	<b>1,630.75</b>	<b>9,600.61</b>	<b>31,168.03</b>		
<b>3</b>	<b>11,231.36</b>	<b>1,246.72</b>	<b>9,984.64</b>	<b>21,183.39</b>	<b>5</b>	<b>N</b>
<b>4</b>	<b>11,231.36</b>	<b>847.34</b>	<b>10,384.02</b>	<b>10,799.36</b>		
<b>5</b>	<b>11,231.36</b>	<b>431.97</b>	<b>10,799.39</b>	<b>(0.02)</b>	<b>CPT</b>	<b>PMT 11,231.36</b>

## BMW Amortization

<u>Year</u>	<u>Payments</u>	<u>Applied to</u>		<u>Ending</u>
		<u>Interest 4%</u>	<u>Principal</u>	<u>Principal Balance</u>
<b>Cost</b>				<b>55,000.00</b>
<b>Down</b>	<b>5,000.00</b>		<b>5,000.00</b>	<b>50,000.00</b>
<b>1</b>	<b>11,231.36</b>			
<b>2</b>	<b>11,231.36</b>			
<b>3</b>	<b>11,231.36</b>			
<b>4</b>	<b>11,231.36</b>			
<b>5</b>	<b>11,231.36</b>			

## Equal Payment Loan

## BMW Amortization

<u>Year</u>	<u>Payments</u>	<u>Applied to</u>		<u>Ending</u>	
		<u>Interest 4%</u>	<u>Principal</u>	<u>Principal Balance</u>	
<b>Cost</b>				<b>55,000.00</b>	
<b>Down</b>	<b>5,000.00</b>		<b>5,000.00</b>	<b>50,000.00</b>	50,000 x 4% = 2,000
<b>1</b>	<b>11,231.36</b>	<b>2,000.00</b>			
<b>2</b>	<b>11,231.36</b>				
<b>3</b>	<b>11,231.36</b>				
<b>4</b>	<b>11,231.36</b>				
<b>5</b>	<b>11,231.36</b>				

## BMW Amortization

<u>Year</u>	<u>Payments</u>	<u>Applied to</u>		<u>Ending</u>
		<u>Interest 4%</u>	<u>Principal</u>	<u>Principal Balance</u>
<b>Cost</b>				<b>55,000.00</b>
<b>Down</b>	<b>5,000.00</b>		<b>5,000.00</b>	<b>50,000.00</b>
<b>1</b>	<b>11,231.36</b>	<b>2,000.00</b>	<b>9,231.36</b>	
<b>2</b>	<b>11,231.36</b>			
<b>3</b>	<b>11,231.36</b>			
<b>4</b>	<b>11,231.36</b>			
<b>5</b>	<b>11,231.36</b>			

$$11,231.36 - 2,000 = 9,231.36$$

<u>Year</u>	<u>Payments</u>	<u>Applied to</u>		<u>Ending</u>	
<u>Cost</u>		<u>Interest 4%</u>	<u>Principal</u>	<u>Principal Balance</u>	
Down	5,000.00		5,000.00	55,000.00	
1	11,231.36	2,000.00	9,231.36	40,768.64	50,000 - 9,231.36 = 40 768.64
2	11,231.36				
3	11,231.36				
4	11,231.36				
5	11,231.36				

## BMW Amortization

<u>Year</u>	<u>Payments</u>	<u>Applied to</u>		<u>Ending</u>
		<u>Interest 4%</u>	<u>Principal</u>	<u>Principal Balance</u>
<b>Cost</b>				<b>55,000.00</b>
<b>Down</b>	<b>5,000.00</b>		<b>5,000.00</b>	<b>50,000.00</b>
<b>1</b>	<b>11,231.36</b>	<b>2,000.00</b>	<b>9,231.36</b>	<b>40,768.64</b>
<b>2</b>	<b>11,231.36</b>	<b>1,630.75</b>	<b>9,600.61</b>	<b>31,168.03</b>
<b>3</b>	<b>11,231.36</b>			
<b>4</b>	<b>11,231.36</b>			
<b>5</b>	<b>11,231.36</b>			

$$40,768.64 \times 4\% = 1630.75$$

$$11231.36 - 1630.75 = 9600.61$$

$$40\,768.64 - 9600.61 = 31168.03$$