

Scenario #1

Angel borrows \$700 from Scotia Bank.

Scotia Bank is charging an interest rate of 9%.

The term of the loan is 2 years.

How much interest will Angel pay each year?

How much interest will Angel pay in total?

What is the total amount that Angel must pay Scotia Bank?

How much will be Angel's monthly loan payment?

Scenario #2

Diana borrows \$8,400 from First Caribbean Bank.

First Caribbean Bank is charging an interest rate of 12%.

The term of the loan is 4 years.

How much interest will Diana pay each year?

How much interest will Diana pay in total?

What is the total amount that Diana must pay First Caribbean Bank?

How much will be Diana's monthly loan payment?