

Beyond the Classroom

Auto Finance

GENERAL CASE



FROM SCRATCH



After graduating from college and obtaining your first job, you have decided to purchase a new vehicle. Before purchasing the car, you want to create a worksheet to estimate the monthly payment based on the purchase price, APR, down payment, and years. Your monthly budget is \$500 and you will use conditional logic to automatically determine if you can afford the cars you are evaluating. Open the workbook *e02b1CarLoan* and save it as **e02b1CarLoan_LastFirst**.

Insert a function to automatically enter the current date in cell A4. Starting in cell B12 enter a formula to calculate the down payment for each vehicle price range based on the down payment percentage listed in cell D4. Be sure to use the appropriate absolute or mixed reference and copy the formula to complete range B13:B16. Before calculating the periodic payment for each vehicle, you will need to research the current vehicle interest rates. Conduct an Internet search to determine the current interest rate for a five-year auto loan and enter the value in cell D5. In cell C12 type a function that calculates the periodic payment for the first vehicle based on the input information in range D4:D7. Be sure to use the appropriate absolute or mixed reference and copy the formula to complete range C12:C16. In column D, use an IF function to determine if the first vehicle is financially viable; display either Test Drive or NA based on the criteria in cell D8. Be sure to use the appropriate absolute or mixed reference and copy the formula to complete range D12:D16.

Include a footer with your name on the left side, the date in the center, and the file name on the right side. Save and close the workbook. Based on your instructor's directions, submit *e02b1CarLoan_LastFirst*.

Park City Condo Rental

DISASTER RECOVERY



You and some friends are planning a Labor Day vacation to Park City, Utah. You have secured a four-day condominium that costs \$1,200. Some people will stay all four days; others will stay part of the weekend. One of your friends constructed a worksheet to help calculate each person's cost of the rental. The people who stay Thursday night will split the nightly cost evenly. To keep the costs down, everyone agreed to pay \$30 per night per person for Friday, Saturday, and/or Sunday nights. Depending on the number of people who stay each night, the group may owe more money. Kyle, Ian, Isaac, and Daryl agreed to split the difference in the total rental cost and the amount the group members paid. Open the workbook *e02b2ParkCity*, and save it as **e02b2ParkCity_LastFirst**.

Review the worksheet structure, including the assumptions and calculation notes at the bottom of the worksheet. Check the formulas and functions, making necessary corrections. With the existing data, the number of people staying each night is 5, 8, 10, and 7, respectively. The total paid given the above assumptions is \$1,110, giving a difference of \$90 to be divided evenly among the first four people. Kyle's share should be \$172.50. In the cells containing errors, insert comments to describe the error and fix the formulas. Verify the accuracy of formulas by entering an IF function in cell I1 to ensure that the totals match. Nick, James, and Body inform you they cannot stay Sunday night, and Rob wants to stay Friday night. Change the input accordingly. The updated total paid is now \$1,200, and the difference is \$150. Include a footer with your name on the left side, the date in the center, and the file name on the right side. Save and close the workbook. Based on your instructor's directions, submit *e02b2ParkCity_LastFirst*.