

Numbers and Operations: Bank Teller

Idaho Independent Bank

Job Description: Help customers cash checks, make deposits, balance different accounts and ledgers.

Problem:

A buyer wants to buy a used car at a cost of \$10,000.00 financed for 5 years or 60 months. The buyer would like to know the savings on the finance charge if he puts 10% down vs. 20% down against the loan at the time it is taken out.

Assumptions:

The 60 monthly payments are:

- a. with 0% down: \$207.55
- b. with 10% down: \$186.80
- c. with 20% down: \$166.04

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Solution:

Cost of Car	% Down	Original Loan Amount	Payment x Months = Total	Total Loan Amount	Finance Charge
\$10,000	0 %	\$10,000.00	\$207.55 x 60 = \$12,453.00	\$12,453.00	\$2,453.00
\$10,000	10%	\$9,000.00	\$186.00 x 60 = \$11,208.00	\$11,208.00	\$2,208.00
\$10,000	20%	\$8,000.00	\$166.04 x 60 = \$ 9,962.40	\$9,962.40	\$1,962.40

1. By putting 10% down at the time the loan is taken out, the buyer saves:

$$\$2,453.00 - \$2,208.00 = \$245.00$$

2. By putting 20% down at the time the loan is taken out, the buyer saves:

$$\$2,453.00 - \$1,962.40 = \$490.60$$