

**FINAL EXAM (VA) Flna 210 Section CX (SUMMER 2011)**  
**THIS EXAM MUST BE RETURNED INTACT (Do not remove staple)**  
**Read Instructions carefully**

**Question #14**

Use the information below to answer the following question.

Property value \$750,000

Loan-to-value ratio (LVR) of 80%

Interest rate (nominal) per annum is 6.75% per annum compounded semi-annually

Mortgage payment paid annually

Term of loan 20 years

What is the loan balance after 3 mortgage payments?

- a. \$551,766
- b. \$556,713
- c. \$547,398
- d. \$552,306

**Question #15**

Use the information below to answer the following question.

Property value \$750,000

Loan-to-value ratio (LVR) of 85%

Interest rate (nominal) per annum are as follows: ~

Year 1. 7.20% per annum compounded semi-annually

Year 2. 8.35% per annum compounded semi-annually

Year 3. 6.50% per annum compounded semi-annually

Mortgage payment paid annually

Term of loan 10 years

What is the principal portion of the 2<sup>nd</sup> mortgage payment?

- a. \$46,385
- b. \$45,437
- c. \$46,726
- d. \$50,470