Use the following problem to answer questions 1 – 3.
Fred and Karen would like to have $25,000 for a down payment towards the purchase of a new home in 5 years. An account at their bank pays 5.5% per year compounded monthly. How much must they deposit each month to have the desired funds in 5 years?

1. Identify the type of problem.
   a. Present Value with compound interest
   b. Future Value of an Annuity
   c. Present Value of an Annuity
   d. Amortization
   e. Sinking Fund

2. Answer the question in the problem.
   a. $362.95
   b. $373.28
   c. $416.67
   d. $477.53
   e. $505.31

Use the following problem to answer questions 4 and 5.
A recently married couple is buying a condo. The original cost is $475,733.76. They make a 15% down payment and finance the rest with a lending company. Their financing is for 25 years at 3.55% per year compounded monthly. Find their monthly payment?

3. Identify the type of problem.
   a. Present Value with compound interest
   b. Future Value of an Annuity
   c. Present Value of an Annuity
   d. Amortization
   e. Sinking Fund

4. What was the down payment?
   a. $449,568.40
   b. $26,165.36
   c. $404,373.70
   d. $88,248.61
   e. $71,360.06

5. Answer the question in the problem
   a. $1,347.91
   b. $1,585.78
   c. $1,437.12
   d. $2,035.25
6. The choices for problem number 6 part a from the book are given below.
   a. Present Value with compound interest
   b. Future Value of an Annuity
   c. Present Value of an Annuity
   d. Amortization
   e. Sinking Fund

7. The choices for problem number 6 part b from the book are given below.
   a. $356.75
   b. $312.15
   c. $333.33
   d. $3,826.79
   e. $295.12

8. The choices for problem number 10 part a from the book are given below.
   a. Present Value with compound interest
   b. Future Value of an Annuity
   c. Present Value of an Annuity
   d. Amortization
   e. Sinking Fund

9. The choices for problem number 10 part b from the book are given below.
   a. $231.28
   b. $412,138.67
   c. $7,678.79
   d. $13,1574.89
   e. $2,138.69

10. The choices for problem number 20 part b from the book are given below.
    a. $553.82
    b. $498.43
    c. $652.60
    d. $725.11
    e. $570.99