Use the following problem to answer questions 1 – 3.
Candy purchases a new guitar costing $5,500. She put down 15% and finance the rest for 3 years through the store. The store will charge her 10% per year compounded quarterly. What are her quarterly payments?

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. What is the amount of the down payment?
   a. $825
   b. $588
   c. $840
   d. $722
   e. $510

3. Answer the question in the problem.
   a. $469.67
   b. $502.35
   c. $455.75
   d. $406.60
   e. $488.80

Use the following problem to answer questions 4 and 5.
A company would like to have $400,000 in 6 years. How much should be invested semiannually into an account paying 3.6% compounded semiannually?

4. 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

5. Answer the question in the problem.
   a. $30,681.38
   b. $29,754.02
   c. $34,245.54
   d. $30,160.79
   e. $28,541.46
6. The choices for problem number 8 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 8 part b from the book are given below.
   a. $578.41
   b. $524.94
   c. $503.78
   d. $612.94
   e. $486.78

8. The choices for problem number 14 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 14 part b from the book are given below.
   a. $924.86
   b. $724.94
   c. $1,003.78
   d. $872.46
   e. $986.78

10. The choices for problem number 18 part b from the book are given below.
    a. $924.86
    b. $974.76
    c. $1,012.18
    d. $872.46
    e. $898.54