

You buy a Corolla with an MSRP of \$21,234. You negotiate a final price of \$20,399 and make a down payment of 13 percent after sales taxes of 4.8%.

The annual interest rate for a loan or lease is 7.35% APR over 4 years. Payments are made monthly.

Remember, Sales tax is 4.8% of the final price if you purchase the car.

The salvage value is 47% of the MSRP.

1. What is the total cost of the car?
2. What is the amount of the downpayment?
3. What is the loan amount if you purchase the car?
4. Determine the monthly car payment.
5. What is the interest you paid on the loan?
6. What is the salvage value?
7. How much will you have paid for the car over the 4 year period?
8. At the end of 4 years you sell the car for 47% of the MSRP. What is the net ownership cost to you for the 5 years you owned the car?

- ① 21378.15 cost
- ② 2779.16 downpayment
- ③ 18598.99 loan
- ④ 448.40 monthly payment
- ⑤ 2924.21 interest
- ⑥ 9979.98 salvage value (trade-in)
- ⑦ 24,302.36 total paid
- ⑧ 14322.38 net cost of ownership