**Solution 1.41**

Fill in the missing values (A through D) for a loan of $10,000 if the interest rate is compounded at 10% per year.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **End of**  **Year** | **Interest**  **for Year** | **Amount Owed**  **After Interest** | **End of Year**  **Payment** | **Amount Owed**  **After Payment** |
| 0 | — | — | — | 10,000 |
| 1 | 1000 | 11,000 | 2000 | 9,000 |
| 2 | 900 | 9,900 | 2000 | **A** |
| 3 | **B** | **C** | 2000 | **D** |

*Solution:*

Follow plan 4, Example 1.16 as a model

A is 9900 – 2000 = $7900

B is 7900(0.10) = $790

C is 7900 + 790 = $8690

D is 8690 – 2000 = $6690