Construct, analyse and interpret a loan or annuity amortisation table.

Key skills | Free preview

Learning target: Construct, analyse and interpret a loan or annuity amortisation table.

An end-period loan repayment follows interest accrual for that period. Track the opening balance, interest, payment, principal reduction and closing balance separately. A recurrence summarises the same calculation. When the remaining balance plus interest is smaller than the usual payment, reduce the final payment instead of allowing a negative loan balance.

Try the mathematics

Task 1. A $2000 loan charges 1% per month and has usual end-month payments of $700. Construct the amortisation table until cleared, keeping unrounded internal values.

Continue with the full worksheet

The complete resource has 2 focused task sets and substantive worked solutions. Use an exercise book or print the A4 worksheet. This preview shows the first task without its full solution.

Find this resource:
https://resources.aspiretopowerlearning.com.au/vce/skills/aspire-internal-gm-u34-o1-aos2-finance-ks-04/

Study-design reference

VCE Mathematics Study Design 2023-2027, version 1.1 (November 2022). General Mathematics; Units 3–4; Outcome 1; Key skills; Recursion and financial modelling; bullet 4; p. 91.

The learning target is a concise paraphrase. Aspire reference: aspire-internal-gm-u34-o1-aos2-finance-ks-04. This is an internal identifier, not an official VCAA code.

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