Use financial technology to solve investment, loan, annuity, perpetuity and regular-saving problems.

Key skills | Free preview

Learning target: Use financial technology to solve investment, loan, annuity, perpetuity and regular-saving problems.

Financial solvers encode payment timing and cash-flow signs as well as interest. Align the interest period, payment period and number of periods before solving. A borrowing inflow and repayment outflow have opposite signs in common solver conventions. Check the returned payment using a recurrence or present-value equation so input errors are visible.

Try the mathematics

Task 1. A hypothetical $10000 loan charges 1% per month, repaid by 12 equal end-month payments. Enter N=12, PV=10000, FV=0, end-period timing and a 1% periodic rate in a financial solver. Find the payment magnitude and verify with the annuity formula.

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-05/

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 5; p. 91.

The learning target is a concise paraphrase. Aspire reference: aspire-internal-gm-u34-o1-aos2-finance-ks-05. This is an internal identifier, not an official VCAA code.

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