1 Amortization Table

1) John gets a $7000 loan that makes payments of $1600 every six months, at 5% p.a compounded quarterly. Determine the term of the loan and construct an amortization schedule.

Step 1: Set Up

P/Y	= 2	**PMT**	= -1600
C/Y	= 4	**PV**	= 7000
I/Y	= 5	**FV**	= 0

CPT **N** = 4.69308

t = 2 years and 4 months

Step 2: Enter AMORT Mode

2ND AMORT (PV) SET (ENTER)

Step 3: CPT Periods

P1 = P2 = 1 ENTER

↓ BAL = Outstanding balance

↓ PRN = Principal repaid

↓ INT = Interest paid

Repeat for P1=P2=2, 3, 4

Step 4: Compute Last Row

P1 = P2 = 5

Principal Repaid = Previous Outstanding Loan

Interest Paid = INT

Amount Paid = Principal Repaid + BAL

Outstanding Loan Balance = $0

Step 5: Complete Table

Payment Number	Amount Paid	Interest Paid	Principal Repaid	Outstanding Loan Balance
0	$0	$0	$0	$7000
1	$1600.00	$176.09	$1423.91	$5576.09
2	$1600.00	$140.27	$1459.73	$4116.36
3	$1600.00	$103.55	$1496.45	$2619.92
4	$1600.00	$65.91	$1534.09	$1085.83
5	$1113.15	$27.32	$1085.83	$0
Total	$7513.15	$513.14	$7000.00	