

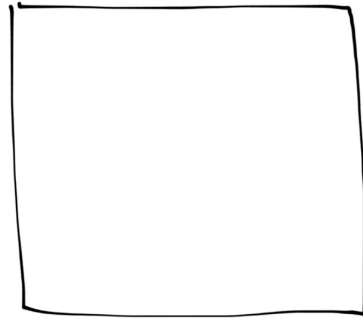
You wish to purchase a motorcycle. The dealership offers 10 year mortgages at 9.9% interest. You can afford to have monthly payments of no more than \$400. What is the most expensive motorcycle you can purchase under these conditions?

X_{min} = _____

X_{max} = _____

Y_{min} = _____

Y_{max} = _____



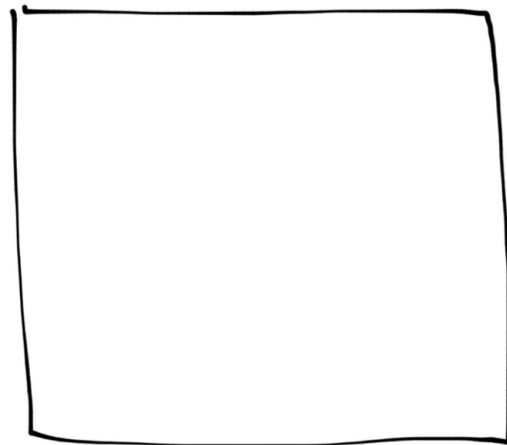
1) Suppose you and your spouse can afford mortgage payments of no more than \$ 4,000. The bank that is giving you a mortgage offers 30-year mortgages at 5 % interest. How much money can you and your spouse mortgage to buy a home?

X_{min} = _____

X_{max} = _____

Y_{min} = _____

Y_{max} = _____



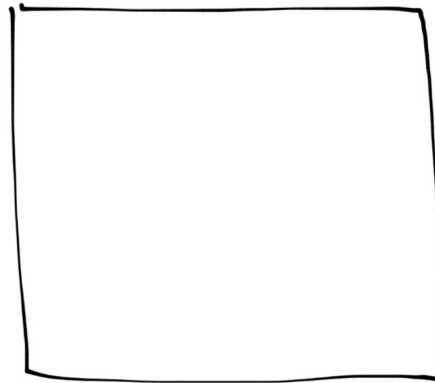
2) Your dream home is for sale for \$ 600,000. You can afford mortgage payments (not including school taxes) of no more than \$ 3,000. By how much does the home need to be decreased so that you can afford the mortgage if a bank is offering you a 30-year mortgage at 4.99 %?

Xmin = _____

Xmax = _____

Ymin = _____

Ymax = _____



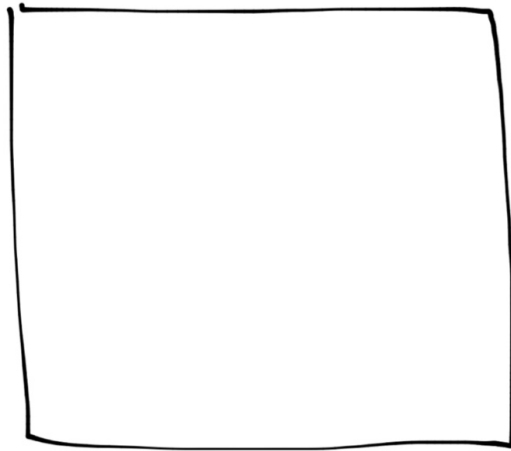
You wish to pay
\$ 1600.00 a month on a 30-year mortgage. If you plan on mortgaging
\$ 275,000 after a down payment, find the interest rate that you
would need to get from the bank.

Xmin = _____

Xmax = _____

Ymin = _____

Ymax = _____



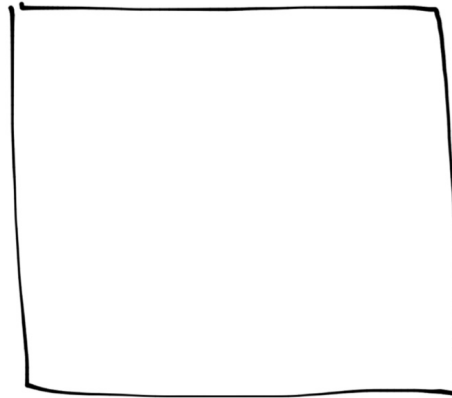
3) A Winnebago dealership offers 15-year mortgages of their RVs at 8.25 % interest. You can afford to have monthly payments of no more than \$ 550. What is the most expensive RV you can purchase under these conditions?

X_{min} = _____

X_{max} = _____

Y_{min} = _____

Y_{max} = _____



4) You wish to purchase a new Mercedes-Benz. Mercedes-Benz offers financing for 6 years at 4.99 % interest. If you can afford car payments of \$ 800 a month, what is the most expensive Mercedes-Benz you can afford?

Xmin = _____

Xmax = _____

Ymin = _____

Ymax = _____

