

## Car Buying Project



In this project you will go through the process of purchasing a car and figuring out how much you will pay for it. Purchasing a car includes several steps of payment:

- the down payment
- the loan amount
- the monthly payment

You will be given:

- the deposit percent\_\_\_\_
- the number of years you will be taking out a loan for\_\_\_\_

You will find on your own:

- 1) Type of car (year, make, and model) Look in magazines, newspapers, or on the internet.
- 2) The price of the car.

- 3) A percentage rate for your loan. Look online or in the newspaper and find an appropriate interest rate for purchasing a new car. Please write down your source.

You will calculate:

- 1) The amount of money you will put down as a deposit.
- 2) The amount of money you need to borrow from the bank (your loan amount).
- 3) The amount of interest you will need to pay for the number of years you will borrow the money. Use the interest formula.
- 4) The payback total (the amount of money that you will be paying the bank).
- 5) The monthly payment for the length of the loan.