

Section 2.4-2.5 Class PrepClass Prep AssignmentDue at the beginning of next class**2.4: Loan Payments, Credit Cards and Mortgages**

Example 1. Write the formula used and the inputs in proper syntax. Answer each question with a complete sentence, including units.

a. You graduate with \$25,000 in student loans and want to pay it off in 10 years. The interest is 4.45%. What is your monthly payment?

b. You have a credit card balance of \$3,500 with 22% annual interest. If you want to pay it off in 3 years, how much do you need to pay per month? (Assuming you do not charge any more to the account.) How much interest would you have paid on this balance?

Down Payments

1. You are saving for your 3-year old child's college fund and you want to put in \$2500 now and make payments of \$50 per month for 15 years at 5.2% interest. How much will you have saved in 15 years? Show any calculations and Excel formulas used.

2. You want to buy a car for \$11,000 and you trade in your old car for \$1500, which acts as a down payment. The car loan interest rate is 2.74%. What will your monthly payments be if you choose a 2-year, 3-year or 4-year loan? Show any calculations and Excel formulas used.

2-year:

3-year:

4-year:

2.5: Income Taxes

Class Prep Assignment

Due at the beginning of next class

1. **Filing Status.** Search in our textbook or online and read about each tax filing status below. Write a short description in your own words.

Single -

Married Filing Jointly -

Married Filing Separately -

Head of Household (with qualifying person) -

Watch the videos and fill in the following information.

2. Tax Calculation Formula (2018 Tax Year):

Gross Income

- **Adjustments
(Above the Line Deductions)**

=

- **The higher of the standard deduction or itemized deductions**

=

(Use tables to calculate taxes due)

Tax Amount from Tables

-

= **Taxes Due**

<p>If your withholdings are less than your taxes due, you will</p> <p>_____</p> <p>If your withholdings are more than your taxes due, you will</p> <p>_____</p>

3. Tax Calculation Example: **(Using 2018 Tax Year Tables)**

	Jamie and Jordan (1 child)
Filing Status	Married Filing Jointly
Adjusted Gross Income (AGI)	\$66,000
Itemized Deductions	\$15,200
Standard Deduction	
Taxable Income	
Tax from Table	
Tax Credits	\$2000
Tax Amount after Credits	
Federal Taxes Withheld from Paychecks	\$3,120
Federal Tax Owed or Refund	