



# MTH-1101

Pretest

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## Car Purchase



Commission scolaire des Premières-Seigneuries

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*You have recently decided to change your car. To do this you have to sell your old car first and then choose a new one.*

1. Choose a car from one of these:

<p><b>Car 1</b></p> 	<p>Base price : \$13 599.00            Delivery fee : \$1495.00            Tire fee : \$15.00</p>
<p><b>Car 2</b></p> 	<p>Base price : \$13 499.00            Delivery fee : \$1595.00            Tire fee : \$15.00</p>
<p><b>Car 3</b></p> 	<p>Base price : \$13 850.00            Delivery fee : \$1244.00            Tire fee : \$15.00</p>

Your choice : \_\_\_\_\_

What will be the total cost of your car? \_\_\_\_\_

2. You have two options, to rent or to buy with financing.

At first glance, which option are you most interested in?

- renting                       buying with financing

If you decide to rent, the rental cost will be equal to the amount of borrowing \$13082.00 plus \$1690.60 of interest. Your lease will be for 60 months. What will your monthly payment be?

If you decide to buy (and finance the purchase), the amount that you will need to finance will be \$17 371.57 taxes included. The cost of interest for a period of 60 months will \$1195.42. What will your monthly payment be?

Which of the above options would you choose? Explain your choice.

3. The car dealer (*Auto Horizon Beauport*) asks you to write a cheque in the amount of the monthly payment as a security deposit. Complete the cheque below.

_____	Folio 348193	_____
_____		
_____		
PAY TO THE ORDER OF	_____	<div style="border: 1px solid black; width: 50px; height: 20px; display: inline-block;"></div> \$
	_____	/100 DOLLARS
FOR	_____	_____
	101 235 348193 01	

4. You want to buy rubber mats for the interior of your new car. *Le pro de l'auto* has a set of four priced at \$ 69.99 and *Chez Automatix* sells them in pairs for \$32.49 each. What store offers the best deal on car mats?

5. Its your lucky day! There is a special promotion at the dealership! When you buy a vehicle, you get a 20% discount on one of the following accessories:

- Front splash guards (\$68.45) and rear splash guards (\$68.45)
- A complete set of safety nuts for aluminum wheel covers (\$73.45)
- Trunk liner (\$134.45)



Which accessory would you choose? \_\_\_\_\_

What would be the total cost of the accessory including the rebate and the tax?

6. Now you must calculate the total amount of money that you need to take possession of your new car.

Here amounts that you must pay:

- First payment of insurance : \$42.53
- Security deposit : \$283.08
- GPS : \$174.99
- Roof rack : 439,98\$
- Maintenance equipment: snow brush, tire pressure gauge, compact snow shovel, and windshield washer fluid. It is estimated that the cost of all these is equal to 30% of your first monthly payment.

Calculate the total cost of the maintenance accessories before tax.

What amount of money will you need to take possession of you new car?



7. Your old car had been purchased from your uncle who lives in the United States. To buy it, you had taken over a loan that your uncle had on it. The balance left to pay on the loan is \$ 2754 US dollars. After doing research, you discover that you could sell your old car for \$ 4500 Canadian dollars.



The amount of this loan in foreign currency includes accumulated interest. Is this interest added to or taken off the amount of the balance of the loan?

added

taken off

Find the exchange rate between the US and Canadian dollars so that you can calculate the amount that you need to repay the loan.

$$1 \text{ CAD} = \underline{\hspace{2cm}} \text{ USD}$$

What is the amount of this foreign loan in Canadian dollars?

How much money (in Canadian dollars) will you have left over from the sale of your old car after you pay this loan off?

**8.** You also have a personal loan to repay. Knowing that in 4 weeks you repaid \$300, how much will you repay in the next 6 weeks?

If you take possession of your new car in 6 weeks and the balance of your personal loan is \$1233.48, how much money will you have left to pay on your personal loan, when you take possession of your new car?

