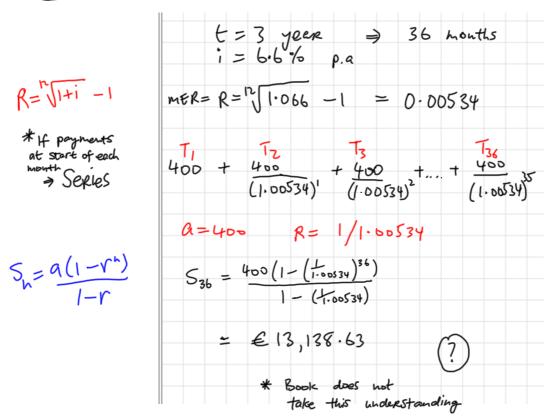
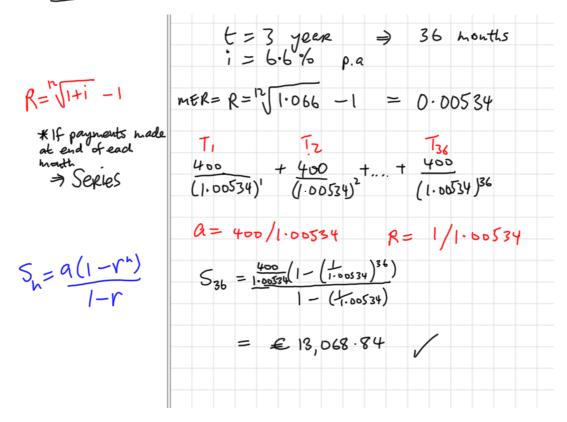
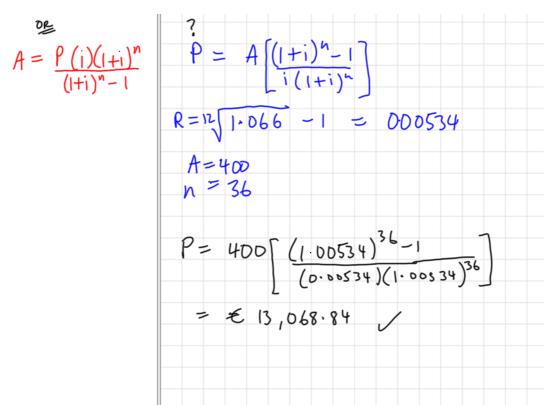
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- 4. Your local car dealer offers you two different payment plans to buy a €15 000 car.
 - **Plan A:** A 10% discount on the price of the car and a loan on the balance at an annual rate of 9% for byears.
 - **Plan B:** No discount but a loan for the total price €15 000 at an annual rate of 3% for 5 years.

Which plan should you opt for?

Plan A

LOAN =
$$10\%$$
 of £ 15000 = £ 1500

Loan

 $A = \frac{P(i)(1+i)^n}{(1+i)^n-1}$

Payment

 $A = \frac{13500(0.09)(1.09)^T}{(1.09)^5-1}$

Payment

Payment

Payment

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