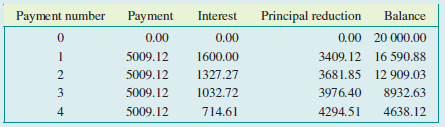
8D,8E – Analysing Loans, Annuities & Investments

**TO DETERMINE THE FINAL PAYMENT**

* Change the number of iterations in NestList to identify the **last balance**
* Multiply the last balance by R to add the interest in the final period

*Consider the following amortisation table for a reducing balance loan:*



1. ***Calculate the interest rate*** *per compounding period:*

*(Either using an annual interest rate or a known interest value from the table)*

1. ***Calculate the value of******R****:*
2. ***Write the******recurrence relation*** *for the reducing balance loan:*
3. *Use NestList to* ***find the******last balance*** *that needs to be paid off:*
4. *Multiply the last balance by R to* ***add the interest****:*

**TO PLOT A GRAPH SHOWING THE INTEREST AND THE CHANGE IN THE PRINCIPAL**

1. *Use ListPlot to graph the interest and principal reduction and copy it below:*