**Math 11 AWP Unit 3 – Investing and Borrowing Money**

Assignment 4 – Payday Loans

1. Barou borrowed $250.00 from a payday loan company and had to repay $275.00 in 15 days. Calculate the annual interest rate.
2. Hayden borrowed $400.00 and paid back $415.00 in 10 days.
3. What was the annual interest rate?
4. What was the daily interest rate?
5. Chantal borrowed $200.00 from a payday loan store. She paid back the loan plus interest 7 days later. The interest rate was 395% per annum. How much interest did she pay?
6. Arleta borrowed $500.00 for 25 days at 1.12% per day. How much did she have to repay?
7. Helen agreed to pay $781.50 to a company that lent her $750.00 at 1.05% per day. How many days did she have the money?
8. Hans borrowed $1000.00 for 60 days at a rate of 0.50% per day.
9. How much will he have to repay?
10. What is the annual interest rate?

1. Shey needed $850.00 cash to pay an emergency vet bill. He went to a payday loan store and agreed to pay $950.00 on payday, which is 12 days away.
2. What is the daily interest rate for the loan?
3. What is the annual interest rate for the loan?
4. Carmen borrowed $250.00 from a payday loan store and agreed to repay it in 18 days, at a rate of 1.17%. How much did she have to repay?
5. Manon is buying a new TV. The TV costs $3499.99 in the store. She has only $1000.00 saved up to use as a down payment. She has the following payment options.

**Option 1:** Get a loan from the bank at 6.50% per annum over 2 years, and pay cash.

**Option 2:** Take the store payment plan of $50.00 down payment and 12 monthly payments of $325.00

**Option 3:** Take out a payday loan. She would be required to pay 1.12% daily interest, and would have to repay the loan within 30 days.

1. With Option 1, how much would Manon pay per month?
2. Calculate the total cost of each of Manon’s payment options. Which option should she choose?