

- (b) Suppose he wants to have \$10,000 in ten years so he can open up a hotel in Goldfield, Nevada. How much should he deposit each month?
3. Tragedy! Virgil and Wyatt's brother Morgan was helping Virgil in the pursuit of his duties, and was injured. Since he was only a temporary deputy, and times are tough, the town refuses to pay for his medical bills.
- (a) Going to a doctor in town will cost \$400. Morgan can't afford that, but the grateful town offers to loan him the money at an APR of 2%. Morgan would like to pay off his bills in 3 years. What should his monthly payments be?
- (b) How much money will he have paid total? What percentage of that was the result of interest?
- (c) Suppose instead he wishes to convalesce at a hospital near his parents' house in Colton, California. The treatment there will be more expensive. If he can afford payments of \$20 per month, and he'd like to have the loan paid off in 3 years, how large a loan can he afford to take out?