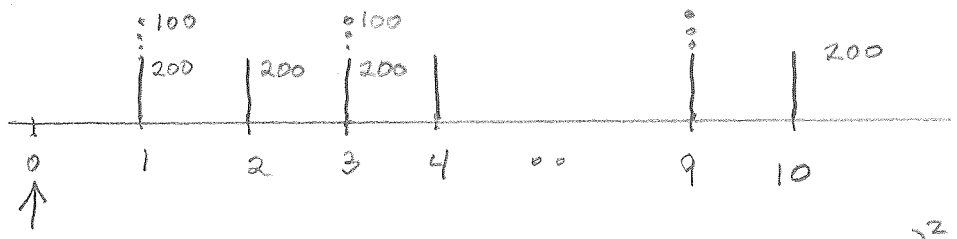
Exercise A loan is established with payments of $200 at the end on every year for 10 years, plus an additional $100 at the end of all odd numbered years. If the effective annual interest rate is 5%, find the amount of the loan.



$(1.05)^2 = (1+i_*)$

$i_* = .1025$

$PV = L$

$= 200\, a_{\overline{10}|.05} + 100\, a_{\overline{5}|.1025}(1.05)$

$= 200(7.721734929) + 100(3.766699965)(1.05)$

$= 1939.85$

$= 200\, a_{\overline{10}|.05} + 100\, \ddot{a}_{\overline{5}|.1025}\left(\frac{1}{1.05}\right)$