

My dream car essay

[Business](#), [Customers](#)



My dream car is the new Jensen Interceptor 2014 model. It is now being manufactured by a British company CCP Global Holdings but the ownership will be retained by Healey Sports Cars situated in Switzerland. The showing of this magnificent piece of Italian design will be open to the public in June of 2012 but will start distribution to customers in 2014.

This car will cost in the area around \$200, 000.

I have decided to do my financing with US bank because I think it offers the best interest rates on loans and best understands my needs. This bank has an Auto loan department that specifically deals with customers who want to obtain loans for the purposes of purchasing a car new and old with a mileage of 100, 000 miles or 7 years.

US bank offers several financing choices to its customers.

In the first option; they can give you the loan subject to 2. 99% Interest rate and a three year payment period. The formula would be $A = p (1+r)^n$ where A is the amount, P is the principle, r is the interest rate, n is the number of months.

When substituting we get, $A = 200000(1. 00299)^3 = 201, 799. 36$. This would constitute the entire amount that I would pay if I decide to get a loan from this bank. To calculate what I would pay monthly I will divide the amount by 36 to give \$5605. 53.

In the second option; they can also give a five year loan subject to 3. 99% Interest. If you go with this option using the formula in choice number one then we get:

$A = 200000(1. 00399)^5 = 204, 021. 96$. This would represent the full

amount payable after five years. The monthly payment would then be the amount divided by 60. This will be 3400. 36.

In the third option you can decide to finance the whole amount yourself. You can pay the whole amount up front no need to go to the bank.

Conclusion

Equity financing is probably the best way to finance in any situation. The third option offers many advantages in that you have less legal tussles and you own your car from the onset.