

# Marketing assignment

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True Imagine that you have decided you need a new car, but not any car will do; you have decided to purchase the car of your dreams. Conduct some research as to the cost of this car. You have determined In this Imagined scenario that you could afford to make a down payment. You can borrow the balance either from your local bank using a four-year loan or from the dealership's finance company. If you purchase from your dealership's finance company, the PAR will be 10% with your 10% down and monthly payments over three years.

However, the dealership will give you a abate of 5% of the car price after the three year term is complete. You want the best deal possible, so you consider the following questions: What type of car have you selected, and what will It cost? What Is the Interest rate from your local bank for a car loan for four years? What will your payment be to your local bank, assuming your 10% down payment? Be sure to use the formula provided in Chapter 4 and show your work. How much will that car have cost in four years?

My calculations confirm this. If I had to choose between the two loans, it would be much better to pay Just over \$13, 000 in interest as opposed to a whopping \$64, 000! The bank loan offers a much lower interest rate of 1.99% as opposed to the dealership rate of 10%. Although the bank loan is for a longer term, the payments are still much lower as well as the insurance - all because of the interest. If I could afford this though, I would put down more than 10% to bring down my monthly payments.