

PV Today  $\rightarrow$  IS Equal  $\rightarrow$  23,282 + 23,282 + 23,282  
 60,000 to End of: year 1 year 2 year 3  
annuity of 3 payments

890  
3 annual PMTS of interest & principal

Periodic PAYMENT

Formula  $\frac{PV \text{ of note-face}}{PV \text{ FACTOR of an annuity of } n \text{ - Total B.3}} = \text{Periodic PMT}$

thus  $\frac{60,000}{2.5771} = 23,282 \text{ €}$

Present value of annuity of \$ (total B.3)

$PV \text{ of note} = \text{periodic PMT} \times PV \text{ factor of an annuity}$

thus 60,000  
Resulting PV  
↑  
unknown  $= 23,282 \text{ annuity} \times 2.5771 \text{ PV factor}$