You want to buy a car at some point in the future. You expect to pay $21000. With an interest rate of 4%. You currently have $2000 for a down payment.

1. If you go to the dealer and buy a car with a 5 year loan, what is your monthly payment? How much did you pay for the car? (5 points)

2. You can go to your bank and invest your money at 3%. Instead of buying your car now, you decide to invest the $2000 and every month invest the same monthly payment you would make above. How long until you can buy the car in cash? How much did you pay for the car? (5 points)