

12 FOM Car Purchase

Before driving away in a new or use car the buyer needs to pay purchase price; tax (12%); documentation fees (about \$300) and insurance (\$1000 - \$2000 per year).

When using the TVM calculator in this exercise, for 'Present Value', use Vehicle price + 12% tax.

A: Purchase a vehicle over \$30,000 new

Suppose you wish to buy a vehicle such as a 2019 Toyota Highlander. How much do you need to pay per month?



2019 Toyota Highlander

Bodystyle:	SUV
Drive Line:	All-wheel Drive
Engine:	3.5L V-6 cyl
Transmission:	8 speed automatic
Exterior Colour:	0070-Blizzard Pear
Stock #:	190198
Model Code:	HIGH

Manufacturer Offer:
[4.49 % APR financing for 36 months on select Toyota Highlander models](#)

Price: \$47,565

View Details >

Compare

Here are the details of the manufacturer's finance offer:

- 4.49% APR for 36 months
- 4.99% APR for 48 months
- 4.99% APR for 60 months
- 5.49% APR for 72 months

*Applies to select new 2019 Toyota Highlander
Offer only valid 11-01-2018 through 11-30-2018*

Use the TVM Calculator to find how much you would need to pay per month to own this car.

Rate for ... months	Price per month	Total Paid	Total Interest
4.49% for 36 months			
4.99% for 48 months			
4.99% for 60 months			

B: Purchase a Vehicle less than \$30,000 New

A car or truck that might serve as your first car.

2019 Toyota Corolla



Bodystyle: Hatchback
Drive Line: Front-wheel Drive
Engine: 2.0L I-4 cyl
Transmission: automatic/CVT
Exterior Colour: 03U4-Smoked Paprik
Interior Colour: Black
Stock #: 190193
Model Code: CORO

Price: **\$25,225**

[View Details >](#)

Manufacturer Offer:

[2.49 % APR financing for 36 months on select Toyota](#)

[Compare](#)

[Corolla Hatchback models](#)

Here are the details of the manufacturer's finance offer:

- 2.49% APR for 36 months
- 2.99% APR for 48 months
- 3.49% APR for 60 months
- 3.99% APR for 72 months

Applies to select new 2019 Toyota Corolla

Offer only valid 11-01-2018 through 11-30-2018

Use the TVM calculator to find out how much you would need to pay per month to own this car.

Rate for ... months	Price per month	Total Paid	Total Interest
2.49% for 36 months			
2.99% for 48 months			
3.49% for 60 months			

C Lease a Vehicle less than \$30,000 (new)

Here is the information on Leasing a 2019 Corolla (information as of November 2018)



2019 Toyota COROLLA SE 6M with Upgrade Package

Vehicle may not be exactly as shown



Eligible Aeroplan® Miles**
Total Miles: 5,000 Miles
Base Miles: 5,000 Miles

Transmission:

Manual

Exterior:

03R3 Barcelona Red Metallic

Interior:

Black / Sport Cloth

Summary Creation Date:

Nov 27, 2018 1:12 PM, PST

Reference Code:

BURSEM BM 03R3

All prices are based on the MSRP which does not include Freight and PDI (\$1,645), Air Conditioning Charge of \$100, license, insurance, registration, applicable taxes, levies and other fees. Dealer may sell for less. A Toyota dealer is free to set its own selling price for Toyota products and services. Accessory pricing includes installation. Taxes and Levies

Configuration Details	Lease ⁽¹⁾	Finance	Cash
MSRP	\$22,525.00	\$22,525.00	\$22,525.00
Dealership Fees ⁽⁷⁾	Not Included	Not Included	Not Included
Freight and Delivery	\$1,645.00	\$1,645.00	\$1,645.00
Air Conditioning Charge	\$100.00	\$100.00	\$100.00
Tire Levy	\$25.00	\$25.00	\$25.00
Subtotal	\$24,295.00	\$24,295.00	\$24,295.00
GST (5.0%)	N/A	\$1,214.75	\$1,214.75
PST (7.0%)	N/A	\$1,700.65	\$1,700.65
Down Payment	\$0.00	\$0.00	N/A
Total	\$24,295.00	\$27,210.40	\$27,210.40

Finance & Leasing Information	Lease ⁽¹⁾	Finance	Cash
Term in Months	64	84	N/A
Interest Rate (%) ⁽⁴⁾	1.49	3.49	N/A
Annual km	22,500	N/A	N/A
Payment Pre-Tax	\$63.10	N/A	N/A
GST (5.0%)	\$3.15	N/A	N/A
PST (7.0%)	\$4.42	N/A	N/A
Payment Including Taxes	²⁷⁷ payments of \$70.67 (weekly)	¹⁸² payments of \$168.61 (bi-weekly)	N/A
Lease End Value ⁽²⁾	\$8,109.00 (Plus \$300 Dealer Lease End Option Fee which only applies to leases entered into on or after June 5, 2013)	N/A	N/A
One Time Lease Payment Option ⁽³⁾	\$18,821.29	N/A	N/A

Search through the information to find out how much does a Toyota Corolla cost to lease per week.

How much does this work out per calendar month?

D Buy a pre-owned Toyota Corolla, financed through a car loan (prices obtained September 2018)

2015 Toyota Corolla LE Local Victoria Service



Drive Line: Front-wheel Drive
 Engine: 1.8L I-4 cyl
 Transmission: Automatic
 Exterior Colour: Classic Silver
 Kilometres: 46082
 Stock #: T2038

Sale Price: **\$17,995**

[View Details >](#)

or



2006 Toyota Corolla CE Local Victoria Service

Drive Line: Front-wheel Drive
 Engine: 1.8L I-4 cyl
 Transmission: Automatic
 Exterior Colour: Grey
 Kilometres: 147888
 Stock #: T2044

Sale Price: **\$8,995**

[View Details >](#)

To finance the cost of the car you will probably need to take out a loan from a finance institution. With a good credit history, you may be able to secure a 5% APR with your bank manager. Otherwise, it will be closer to 10%. For our purposes, let's say you get a car loan with 7% APR.

Use the TVM calculator to find out how much you would pay over the following number of months, with a purchase price of (circle) \$8995 + tax or \$17995 + tax

Rate for ... months	Price per month	Total Paid	Total Interest
7% for 36 months			
7% for 48 months			
7% for 60 months			

E Buy Your Dream Car:

Go online and choose your car from your preferred manufacturer.

Make:

Model:

Year:

Purchase price:

(picture?)

Suppose you get these rates for purchasing your dream car. How much would it cost per month to buy this car with the following rates:

Rate for ... months	Price per month	Total Paid	Total Interest
4.49% for 36 months			
4.99% for 48 months			
4.99% for 60 months			