

THE HONG KONG POLYTECHNIC UNIVERSITY  
HONG KONG COMMUNITY COLLEGE

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**Subject Title** : Personal Financial Planning                      **Subject Code** : CCN1021

**Session** : Semester One, 2016/17

**Numerical Answers**

**Question C1**

- (a) For 50% DSR, Stephen's maximum mortgage amount is \$4,189,183.53.  
For 60% stressed DSR, Stephen's maximum mortgage amount is \$3,607,395.16
- (b) If Stephen has \$4 million for the down payment, the maximum price of Stephen's first home purchase is \$7,607,395.16.

**Question C2**

- (a) (option 1) = \$16,387.93 and (option 2) = \$15,186.95
- (b) \$1,869,000

**Question C3**

- (a) The total dollar amount covered by Sammy's medical plan is \$41,000
- (b) In January and July, the insurer pays \$2,800 and \$7,200 respectively.

**Question C4**

- (a) The cash price of the second hand car is \$14,000.
- (b) P/E = 12.5  
Dividend yield = 6%