

THE HONG KONG POLYTECHNIC UNIVERSITY
HONG KONG COMMUNITY COLLEGE

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

Session : Semester One, 2017/18

Numerical Answers

Question C1

- (a) Monthly Savings = \$18,638.43.
- (b) Debt-servicing ratio under stress test = 43%.

Question C2

- (a) Minimum payment due on his credit card = \$2,000.
- (b) Monthly repayment on personal instalment loan = \$5833.33.
Approximate APR = 19.59%.

Question C3

- (a) Total assets = \$3,878,000.
Total liabilities = \$1,763,900.
Net worth = \$2,114,100.
- (b) Budget variance = -400.

Question C4

- (a) Earnings per share = \$5.
P/E ratio = 17.
- (b) Annual interest income = \$50.
Current yield = 5.35%.