

Note #1 \$60,000 3 year installment note with annual payments and 10% market rate of interest.
Note made May 1, 2009.

Date	Payment	Interest Expense	Principal	Loan Balance
5/1/09				\$60,000
5/1/10				
5/1/11				
5/1/12				

Note #2 Want to borrow \$60,000 by issuing a three year noninterest-bearing note. The market interest rate is 10% and the note will be date May 1, 2009.

Date	Cash Payment	Interest Expense	Discount	(Face Value-Discount) Carrying Value
5/1/09				
5/1/10				
5/1/11				
5/1/12				

Note #3 Three-year note with a \$60,000 face value and a 8% face rate that is paid annually.
The market rate of interest on the day the note is issued (May 1, 2009) is 10%.

Date	Cash Interest	Interest Expense	Discount Amortization	Discount	Carrying Value
5/1/09					
5/1/10					
5/1/11					
5/1/12					

Note #4 Three-year note with a \$60,000 face value and a 8% face rate that is paid annually. The market rate of interest on the day the note is issued (May 1, 2009) is 6%.

Date	Cash Interest	Interest Expense	Premium Amortization	Premium	Carrying Value
5/1/09					
5/1/10					
5/1/11					
5/1/12					