
Computerised Accounting Practical Model

Question, Procedure and Output

Title : Spreadsheet – Functions & Formulas-III

Question

Mr.Kumar has taken a Loan of Rs.2,00,000 from a bank at an interest rate of 10% p.a. The loan is to be repaid in 36 monthly installments over the next 3 years. Assuming that the monthly installments are paid at the end of each month, calculate the amount of interest paid by him in the 2nd year only. Use CUMIPMT Function.

Procedure

- Step-1 : Open a blank worksheet in excel
- Step-2 : Analyse the question, list out the various arguments needed for CUMIPMT function and enter these details and formula in different cells as given below

Cell	Value
A1	rate
B1	10%
A2	No. of Instalments (nper)
B2	36
A3	Present Value (pv)
B3	200000
A4	start_period
B4	13
A5	snd_period
B5	24
A6	type
B6	0
A7	Interest for 2 nd year
B7	=CUMIPMT(B1/12,B2,B3,B4,B5,B6)

Output

	A	B
1	Rate	10%
2	nper	36
3	pv	200000
4	start_period	13
5	end_period	24
6	type	0
7	Interest for 2nd year	-10994.42187