

Year 1

Rate 0.05
NPV \$895.46

Year	Cashflow	Beg	Interest	Payment	End
1	-	895.46	44.77	-	940.23
2	-	940.23	47.01	-	987.24
3	-	987.24	49.36	-	1,036.61
4	-	1,036.61	51.83	-	1,088.44
5	-	1,088.44	54.42	-	1,142.86
6	1,200.00	1,142.86	57.14	- 1,200.00	-

Debit Loan Receivable 895.46 Initial recognition of loan
Credit Cash - 895.46 Initial recognition of loan

Debit Loan Receivable 44.77 Interest income
Credit Interest Income - 44.77 Interest income

Year 2

Rate 0.05
NPV \$948.67

Year	Cashflow	Beg	Interest	Payment	End
1	-	895.46	44.77	-	940.23
2	50.00	948.67	47.43	- 50.00	946.11
3	-	946.11	47.31	-	993.41
4	-	993.41	49.67	-	1,043.08
5	-	1,043.08	52.15	-	1,095.24
6	1,150.00	1,095.24	54.76	- 1,150.00	-

Debit Loan Receivable 8.44 Revised loan receivable due to early payment
Credit Gain on loan - 8.44 Revised loan receivable due to early payment

Debit Loan Receivable 47.43 Interest income
Credit Interest Income - 47.43 Interest income

Debit Cash 50.00 Early payment
Credit Loan Receivable - 50.00 Early payment