

c) Dan might choose the 6-year old car and pay it out longer.

2. SUV #1 is the best option  
 → shorter term to repay  
 → warranty  
 → lower interest rate

3. Car 1

$$\begin{array}{r} 15000 \\ \times 1.13 \\ \hline \$16950 \end{array}$$

Car 2

$$\begin{array}{r} 11300 \\ \times 1.13 \\ \hline \$12769 \end{array}$$

\$ 352 /mo  
 60 months

\$ 425 /mo  
 36 months