On January 1, 20X5, Juan Silvia borrowed $500,000 to purchase a new office building. The loan is to be repaid in 2 equal annual payments, beginning December 31, 20X5. The annual interest rate on the loan is 9%.

(a) Calculate the annual payment on the loan.

(b) Prepare the appropriate journal entries to record the loan and subsequent payments at the end of 20X5 and 20X6.

(c) If the loan was to be repaid in 24 equal monthly payments (0.75% interest rate per month), how much would the monthly payment equal?