(a)

## Loan Amount = Payments X Annuity Present Value Factor

## (b)

Accounts	Debit	Credit
Building	500,000.00	
Note Payable		500,000.00
To record purchase of office building for 9% note payable		
Interest Expense		
Note Payable		
Cash		
To record payment		
Interest Expense		
Note Payable		
Cash		
To record payment		
	Note PayableInterest ExpenseCashInterest ExpenseInterest ExpenseInterest ExpenseCashInterest ExpenseInterest ExpenseInterest ExpenseCashInterest ExpenseInterest ExpenseInter	Note PayableITo record purchase of office building for 9% note payableIInterest ExpenseINote PayableICashITo record paymentIInterest ExpenseIInterest ExpenseINote PayableICashINote PayableIInterest ExpenseIInterest ExpenseIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIII

Loan Amount = Payments X Annuity Present Value Factor