(a)

$$\text{Loan Amount} = \text{Payments X Annuity Present Value Factor}$$

(b)

| GENERAL JOURNAL | | | | |
|---|---|---|---|---|
| **Date** | **Accounts** | | **Debit** | **Credit** |
| 1-Jan | Building | | 500,000.00 | |
| |     Note Payable | | | 500,000.00 |
| | *To record purchase of office building for 9% note payable* | | | |
| | | | | |
| 31-Dec | Interest Expense | | | |
| | Note Payable | | | |
| |     Cash | | | |
| | *To record payment* | | | |
| | | | | |
| 31-Dec | Interest Expense | | | |
| | Note Payable | | | |
| |     Cash | | | |
| | *To record payment* | | | |
| | | | | |

(c)

$$\text{Loan Amount} = \text{Payments X Annuity Present Value Factor}$$