Example (iv): Single advance, single payment (term of exactly 2 years)

Amount advanced \( (A) = $1000 \). Payment \( (P) = $1240 \).
Unit-period = 1 year. Unit-periods per year \( (w) = 1 \).
Advance, 1-3-78. Payment, 1-3-80.
From 1-3-78 through 1-3-79 = 1 unit-period. \( (t = 2; \ f = 0) \)
Annual percentage rate \( (I) = \frac{wI}{1-w} = .1136 = 11.36\% \). (Use Form 3 or 4.)

(6) Complex single advance transaction.

Example (i): Skipped payment loan (payments every 4 weeks)

A loan of $2135 is advanced on 1-25-78. It is to be repaid by 24 payments of $100 each. Payments are due every 4 weeks beginning 2-20-78. However, in those months in which 2 payments would be due, only the first of the 2 payments is made and the following payment is delayed by 2 weeks to place it in the next month.
Unit-period = 4 weeks. Unit-periods per year \( (w) = 52/4 = 13 \).
First series of payments begins 26 days after 1-25-78.
\( (t = 0; \ f = 26/28) \)

Second series of payments begins 9 unit-periods plus 2 weeks after start of first series. \( (t = 10; \ f = 12/28) \)

Third series of payments begins 6 unit-periods plus 2 weeks after start of second series. \( (t = 16; \ f = 26/28) \)

Last series of payments begins 6 unit-periods plus 2 weeks after start of third series. \( (t = 23; \ f = 12/28) \)

The general equation in paragraph (b)(8) of this section can be written in the special form:

\[
2135 = \frac{100 \, a_{\frac{9}{1}}}{9} + \frac{100 \, a_{\frac{6}{1}}}{67} + \frac{100 \, a_{\frac{6}{1}}}{10} \left(1 + (26/28)i \right) \left(1 + (12/28)i \right) \left(1 + i \right)
\]

Annual percentage rate \( (I) = \frac{wI}{1-w} = .1200 = 12.00\% \)