

Loan Calculator



* Note to manage waste please print this document in greyscale or black and white rather than in colour. Please print on both sides of the paper (duplex) and if you can print multiple slides or pages on one page.

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Value of the tool

The Loan Calculator helps non-business students and university professors to get a general idea of what is involved in applying for an interest-bearing loan for entrepreneurship ideas.

Benefit and purpose of using the tool

The main benefit of this tool is to provide a general idea to non-business students and university professors about the interest-bearing loans for entrepreneurship ideas

Tool 2: Loan Calculator

Description:

The Loan Calculator helps entrepreneurs and small business owners plan financing by estimating monthly payments, interest costs, and repayment timelines for business loans. It enables better cash flow management, loan comparison, and budgeting, ensuring informed decisions when securing capital for growth, equipment, or startup costs.

Instructions of the tool

1. Open the tool and analyze the concepts and sections, do any or most of them seem familiar to you? ¿Did you know the interest rates?
2. Enter the amount of money that, hypothetically, you would need for your business idea. It is always advisable to put a slightly higher amount than calculated in case there are cost overruns, but no more than 5 or 10%.
3. Enter the interest rate and other fees charged by the bank. You can do a simulation and go to the interest page of a bank you know, in the business section, what rates do they offer for businesses, if you do not find the information, you can ask an AI what is the interest rate that banks usually give in the region where you live.
4. With your teacher and colleagues, analyze the figure obtained and decide whether or not to purchase the loan based on the other financial projections. If after a few years the money is too high or you think you won't be able to cover the dues with sales, it may not be the best idea for you.

File(s) of the tools:

- *Calculator.*

Outcomes

Informed Borrowing Decisions – Users can compare loan options (student loans, research funding, equipment financing) to understand repayment terms, interest rates, and total costs before committing.

Budgeting for Academic Projects – Helps professors and students estimate loan feasibility for research initiatives, conference travel, or lab equipment by projecting monthly payments within grant or personal budgets.

Debt Management Awareness – Students learn to evaluate long-term impacts of loans (e.g., for tuition or startup costs), fostering responsible financial habits early in their careers.

Simplified Financial Planning – Non-business users gain clarity on amortization schedules and interest effects without needing advanced finance knowledge, making loans less intimidating.

Resource Optimization – Researchers and creatives can assess whether leasing/borrowing for tools (e.g., lab devices, art supplies) is cost-effective compared to upfront purchases.

Possible uses of the tool

- **Analyse whether one loan is more convenient than another.**

The ease of filling in data in the calculator allows you to quickly compare whether one loan is more convenient than another, or simply to do exercises with different amounts and interest rates.

- **Consider other types of loans**

Visually, the tool offers three types of viable loans for entrepreneurs. Although the first type of loan is the most common, the entrepreneur can consider the other two options if they are convenient and have access to these sources of financing

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Tool 1: Startup Expenses

How can you compare the results?

Place two funding options and take a screenshot with the first one, and then with the second one. This way, you can visually compare which one is more convenient.

Amortized Loan: Paying Back a Fixed Amount Periodically

Use this calculator for basic calculations of common loan types such as [mortgages](#), [auto loans](#), [student loans](#), or [personal loans](#), or click the links for more detail on each.

Loan Amount	\$105,000
Loan Term	10 years 0 months
Interest Rate	6 %
Compound	Monthly (APR)
Pay Back	Every Month
Calculate Clear	

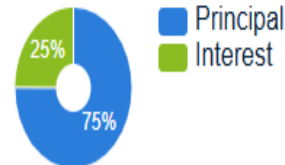
Results:



Payment Every Month **\$1,165.72**

Total of 120 Payments **\$139,885.83**

Total Interest **\$34,885.83**



Amortized Loan: Paying Back a Fixed Amount Periodically

Use this calculator for basic calculations of common loan types such as [mortgages](#), [auto loans](#), [student loans](#), or [personal loans](#), or click the links for more detail on each.

Loan Amount	\$110,000
Loan Term	10 years 0 months
Interest Rate	6.5 %
Compound	Monthly (APR)
Pay Back	Every Month
Calculate Clear	

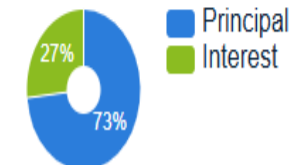
Results:



Payment Every Month **\$1,249.03**

Total of 120 Payments **\$149,883.33**

Total Interest **\$39,883.33**



How can you analyse the results?

To analyze the results of the Loan Calculator, non-business faculty and students should focus on understanding the monthly payment amount, total interest cost, and repayment timeline. Begin by assessing whether the monthly payment fits within your budget or project funding—this ensures you can comfortably meet obligations without straining finances. Next, compare the total interest paid over the loan term to the principal amount; a high ratio may indicate the loan is costly and warrants reconsideration. Discuss the results with peers or instructors to evaluate alignment with your project's financial projections, such as expected revenue from a business idea or grant funds for academic research. If the numbers seem unsustainable, explore alternatives like adjusting the loan amount, seeking lower interest rates, or delaying the project. This process simplifies complex financial concepts and empowers informed, practical decisions.

Recommendation

Use the amortization table in the same calculator to help you analyze the amount of principal and interest to be paid on the loan. It is useful for analyzing the possibility of advancing principal and paying less interest.

Amortization Schedule



	Beginning Balance	Interest	Principal	Ending Balance
1	\$105,000.00	\$525.00	\$640.72	\$104,359.28
2	\$104,359.28	\$521.80	\$643.92	\$103,715.37
3	\$103,715.37	\$518.58	\$647.14	\$103,068.23
4	\$103,068.23	\$515.34	\$650.37	\$102,417.85
5	\$102,417.85	\$512.09	\$653.63	\$101,764.23
6	\$101,764.23	\$508.82	\$656.89	\$101,107.33
7	\$101,107.33	\$505.54	\$660.18	\$100,447.15
8	\$100,447.15	\$502.24	\$663.48	\$99,783.68
9	\$99,783.68	\$498.92	\$666.80	\$99,116.88
10	\$99,116.88	\$495.58	\$670.13	\$98,446.75
11	\$98,446.75	\$492.23	\$673.48	\$97,773.27
12	\$97,773.27	\$488.87	\$676.85	\$97,096.42

