

ANSWERS

Compound Interest - Day #1

1. $A = P \left(1 + \frac{r}{n} \right)^{nt}$

$$A = 2350 \left(1 + \frac{0.029}{4} \right)^{4(6)}$$

$$A = 2350 (1.00725)^{24}$$

$$A = 2350 (1.189308781)$$

$$A = \$2794.88$$

$$2. \quad A = P \left(1 + \frac{r}{n} \right)^{nt}$$

$$A = 6350 \left(1 + \frac{0.023}{12} \right)^{12(4)}$$

$$A = 6350 \left(1.00191\bar{6} \right)^{48}$$

$$A = 6350 (1.096268287)$$

$$A = \$6,961.30$$

3.

$$A = P \left(1 + \frac{r}{n} \right)^{nt}$$

$$A = 7850 \left(1 + \frac{0.032}{2} \right)^{2(2)}$$

$$A = 7850 (1.016)^4$$

$$A = 7850 (1.06555245)$$

$$A = \underline{\underline{\$8,364.59}}$$

$$A = \underline{\underline{3,510.32}}$$

4. $A = P \left(1 + \frac{r}{n} \right)^{nt}$

$$A = 2950 \left(1 + \frac{0.029}{26} \right)^{26(6)}$$

$$A = 2950 (1.001115385)^{156}$$

$$A = 2950 (1.189940176)$$

$$A = \underline{\underline{\$ 3,510.32}}$$

5. $A = P (1 + r)^{nt}$