

circle your section

2 Tues 11:20

3 Thur 12:50

4 Tues 5:30

PRINT your Name:

1. You will need \$2400 in cash two years from now. Your parents tell you that if you give them some amount of money now, they will pay you 10% annual simple interest on it, with no compounding. How much money do you need to give them in order to have the \$2400 in two years?

2. If you invest \$1000 in a bank account that pays 8% annual interest, compounded monthly, how much will there be in the account after 3 years?

$$\$1000 \left(1 + \frac{.08}{12}\right)^3 \quad \$1000 (1 + .08)^{36} \quad \$1000 \left(1 + \frac{.08}{12}\right)^{36}$$

$$\$ \left(1000 + \frac{.08}{12}\right)^3 \quad \$1000 + \left(\frac{.08}{12}\right)^{36} \quad \$1000 \left(\frac{.08}{12}\right)^3$$

3. If you invest \$1000 at 8% annually, compounded monthly, how many months will it be until you double your money?

$$\log(1000) \left(1 + \frac{.08}{12}\right) \quad \frac{\log(2000)}{\log\left(1 + \frac{.08}{12}\right)} \quad \frac{\log(2)}{\log\left(1 + \frac{.08}{12}\right)}$$

$$\frac{\log(1000)}{\log\left(1 + \frac{.08}{12}\right)} \quad \sqrt{1000 + \frac{.08}{12}} \quad \frac{1}{12} \log\left(1 + \frac{.08}{12}\right)$$