

Math 111 Worksheet #9
October 30, 2007

1. Find the value of \$8000 invested into an account for 5 years with the following interest.
 - (a) 6% simple interest
 - (b) 6% compounded annually
 - (c) 6% compounded monthly
 - (d) 6% compounded daily

Which is the best account to invest in? What do think would happen if the account compounded every minute? Every second?

2. How much would you need to invest today to have \$25000 in an account 10 years from now if the account gives 4% compounded monthly?
3. How long would it take for \$500 to grow into \$750 in an account with 7% compounded quarterly?