

Worksheet 9/25/2023

Calculate the amount of money you will have in each account after 5 years, assuming that the account earns simple interest.

1. You deposit \$800 in an account with an annual interest rate of 5%.

2. You deposit \$1800 in an account with an annual interest rate of 3.8%.

Use the compound interest formula to compute the balance in each account after the stated period of time, assuming that interest is compounded annually.

3. \$5000 is invested at an APR of 4% for 10 years.

4. \$10,000 is invested at an APR of 3.7% for 12 years.

Use the appropriate compound interest formula to compute the balance in each account after the stated period of time.

5. \$5000 is invested for 10 years with an APR of 2% and quarterly compounding.

6. \$10,000 is invested for 5 years with an APR of 2.75% and monthly compounding.

Find the annual percentage yield (to the nearest 0.01%) in each case.

7. A bank offers an APR of 3.2% compounded monthly.

8. A bank offers an APR of 4.1% compounded daily.