Math 107: Quiz 2

Name:_____

1) A person has income and expenses as follows:

Income:

- Salary: $1900/month

Expenses:

- Rent: $900/month
- Groceries: $90/week
- Utilities: $125/month
- Car insurance: $420 semiannually (twice a year)
- Miscellaneous: $400/month

Find the total monthly cash flow. **Write down your formula before using calculator.**

2) You put $4200 in your bank account which yields an interest rate of 0.1% a year.

(a) How much will you have at the end of year 1?

(b) At the end of year 1, you withdraw the interest from your account. How much will you have at the end of year 2?

(c) Suppose you don't withdraw the interest from your account at the end of year 1. How much will you have at the end of year 2?