

Math 1313
Homework 10
Section 4.2

1. The choices for problem number 6 part a from the book are given below
 - a. Future Value with compound interest
 - b. Present Value with compound interest
 - c. Future Value of an Annuity
 - d. Present Value of an Annuity
 - e. Future Value with simple interest

2. The choices for problem number 6 part b from the book are given below
 - a. \$17,165.85
 - b. \$6,620.46
 - c. \$21,464.51
 - d. \$1,581.51
 - e. \$18,852.92

3. The choices for problem number 14 part a from the book are given below
 - a. Future Value with compound interest
 - b. Present Value with compound interest
 - c. Future Value of an Annuity
 - d. Present Value of an Annuity
 - e. Future Value with simple interest

4. The choices for problem number 14 part b from the book are given below
 - a. \$77,248.18
 - b. \$118,080.30
 - c. \$61,248.18
 - d. \$112,080.30
 - e. \$97,627.24

Use the following problem to answer questions 5 and 6.

Anh, a new college graduate, decides she needs a new car. Her local bank has an account that pays 2.2% per year compounded monthly for 3 years. If Anh deposits \$325 per month, how much will she have towards the purchase of her new car in 3 years?

5. Identify the type of problem.
 - a. Future Value with compound interest
 - b. Present Value with compound interest
 - c. Present Value of an Annuity
 - d. Future Value of an Annuity
 - e. Future Value with simple interest

6. Answer the question in the problem.
 - a. \$11,700.00
 - b. \$10,953.39
 - c. \$12,497.50
 - d. \$11,312.23

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e. \$12,083.29

Use the following problem to answer questions 7 and 8.

Parents would like to have the funds for their child to have an allowance in college for 4 years. They want him to be able to withdraw \$500 each month. How much should they deposit into an account earning 1.35% per year compounded monthly.

7. Identify the type of problem.
 - a. Future Value with compound interest
 - b. Present Value with compound interest
 - c. Future Value of an Annuity
 - d. Present Value of an Annuity
 - e. Future Value with simple interest

8. Answer the question in the problem.
 - a. \$23,350.73
 - b. \$17,579.13
 - c. \$24,000.00
 - d. \$24,645.59
 - e. \$33,460.90

Use the following problem to answer questions 9 and 10.

Shady Oaks, a nursing home, bought a new van. They made a down payment of \$1,500 and financed the remaining balance with a lending company. Their monthly payments are \$482.65 for 5 years at 2.49% per year compounded monthly. What was the original cost of the van?

9. Identify the type of problem.
 - a. Future Value with compound interest
 - b. Present Value with compound interest
 - c. Future Value of an Annuity
 - d. Present Value of an Annuity
 - e. Future Value with simple interest

10. Answer the question in the problem.
 - a. \$30,202.35
 - b. \$25,702.35
 - c. \$28,702.35
 - d. \$24,202.35
 - e. \$27,202.35