
March 29, 2017

Score _____

1. (3 points) Compute the effective rates to determine which is a better rate: 4.5% compounded monthly or 4.525% compounded quarterly.
2. (3 points) How much should be invested now at 6% compounded monthly so that you have \$15000 in 10 years?
3. (4 points) \$300 per month is deposited into a regular annuity earning 4.5% compounded monthly. How much will you have after 20 years? How much of that is interest?