

DIRECTIONS: Solve. Give monetary answers in dollars and cents (\$###.##). All other answers should be rounded to two decimal places.

1. Five hundred dollars is invested at 7.6% interest compounded quarterly. Determine how much the investment is worth after...
 - a. 5 years
 - b. 10 years
 - c. 15 years
 - d. 20 years
2. \$9500 is invested at 5.25% interest compounded monthly. Determine how much the investment is worth after...
 - a. 3 years
 - b. 8 years
 - c. 13 years
 - d. 25 years
3. How long would it take to double a \$5000 investment at 3.2% interest compounded quarterly?
4. How long will it take to triple your money if you invest it at a rate of 5.75% compounded quarterly?
5. Bank A offers 6% interest compounded monthly. Bank B offers 6.1% compounded quarterly. If an equal amount of money is invested in both banks, which bank pays more interest per year?
6. An investment of \$120,000 is made at 7.5% interest compounded quarterly. Find the length of the investment if its current value is...
 - a. \$130,000
 - b. \$200,000
 - c. \$300,000
7. How many dollars must be invested at 16% (compounded quarterly) to yield \$10,000 at the end of six years?
8. How much will a \$4000 investment be worth after five years if it is invested at 6% interest compounded monthly?
9. How long will it take an investment of \$1000 to triple in value if it is invested at an interest rate of 12% compounded monthly?
10. An investor plans to have \$125,000 twenty-five years from now. She has \$12,500 now. What interest rate, compounded monthly, is necessary for her to reach her goal?