

**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 7.2% interest compounded quarterly. Determine how much the investment is worth after...
  - a. 5 years
  - b. 10 years
  - c. 15 years
  - d. 20 years
2. How long would it take to double a \$5000 investment at 4.2% interest compounded quarterly?
3. \$8500 is invested at 5.25% interest compounded monthly. Determine how much the investment is worth after...
  - a. 3 years
  - b. 42 months
  - c. 13 years
  - d. 25 years
4. The value of a new \$18,500 automobile decreases 20% per year. Find its value after...
  - a. 1 year
  - b. 2 years
  - c. 5 years
  - d. 10 years
5. How long will it take to triple your money if you invest it at a rate of 6.75% compounded quarterly?
6. 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?
7. A gold coin appreciated in value from \$100 to \$238 in eight years. Find the annual rate of appreciation.
8. A tractor cost \$50,000 four years ago. Now it is worth \$41,000. Find the annual rate of depreciation.
9. One million dollars is invested at 6.4% interest. Find the value of the investment after three years if the interest is compounded...
  - a. quarterly
  - b. monthly
  - c. weekly
  - d. daily
  - e. hourly
10. An investment of \$150,000 is made at 7.5% interest compounded semi-annually. Find the length of the investment if its current value is...
  - a. \$155,000
  - b. \$175,000
  - c. \$200,000
  - d. \$300,000