

10.6 Practice - Compound Interest

Solve

① Find each of the following:

- a. \$500 invested at 4% compounded annually for 10 years.
- b. \$600 invested at 6% compounded annually for 6 years.
- c. \$750 invested at 3% compounded annually for 8 years.
- d. \$1500 invested at 4% compounded semiannually for 7 years.
- e. \$900 invested at 6% compounded semiannually for 5 years.
- f. \$950 invested at 4% compounded semiannually for 12 years.
- g. \$2000 invested at 5% compounded quarterly for 6 years.
- h. \$2250 invested at 4% compounded quarterly for 9 years.
- i. \$3500 invested at 6% compounded quarterly for 12 years.

~~✗~~ All of the above compounded continuously.

~~2)~~ What principal will amount to \$2000 if invested at 4% interest compounded semiannually for 5 years?

Key.

10.6

Answers - Interest Rate Problems

1)

a. 740.12; ~~745.91~~

b. 851.11; ~~859.99~~

c. 950.08; ~~953.44~~

d. 1979.22; ~~1984.69~~

e. 1209.52; ~~1214.87~~

f. 1528.02; ~~1535.27~~

g. 2694.70; ~~2699.72~~

h. 3219.23; ~~3224.99~~

i. 7152.17; ~~7190.52~~