

Use the future value formula to solve the following interest problems.

1. Shonda invests \$4,000 in an account that pays 5% annual interest, compounded semi-annually. What is her balance to the nearest cent, at the end of 10 years?

b) After 20 years?

2. Karen deposited \$1,675 in an account that pays 1.25% interest. How much will she have after 15 years?

b) After 30 years?

3. On Peyton's 10th birthday, his father invested \$2,000 in an account with 4.75% interest, compounded quarterly. How much will Peyton have when he turns 18?

b) How much would he have if he left it in the same account until he turned 25?

4) Tanner deposits his graduation money (at the age of 18), \$2,315 into the Park Street Money market deposit account. It earns 4.12% interest compounding annually. How much will Tanner have when he retires at the age of 65?

5) Kevin deposits \$7,300 at 1.5% interest in an account that compounds quarterly. How much will he have after 5 year?

b) After 10 years?

c) After 15 years?

6) Joanne deposits \$4,300 into a one-year CD at a rate of 4.3% compounded monthly. What is her ending balance after this time period?

b) How much interest does she earn?

7) Mike deposits \$5,000 in a three-year CD account that yields 3.5% interest compounded quarterly. What is his ending balance at the end of three years?