

APRIL 28/08

YEAR	PRINCIPAL	5% = .05 INTEREST	AMOUNT AT YEAR END
1	1000	50	1050
2	1050	52.50	1102.50
3	1102.50	55.13	1157.63
4	1157.63	57.88	1215.51
5	1215.51	60.78	1276.29
6	1276.29	63.81	<u>1340.10</u>

$$A = P \left( 1 + \frac{r}{n} \right)^{nt}$$

A = TOTAL AMOUNT

t = TIME (YEARS)

P = PRINCIPAL

n = NUMBER OF  
COMPOUNDS PER  
YEAR.

r = RATE (DECIMAL)

$$A = P \left( 1 + \frac{r}{n} \right)^{nt}$$

$$A = 1000 \left( 1 + \frac{.05}{1} \right)^{1 \times 6}$$

$$A = 1340.10$$

PART B

1. \$281.22

2. \$166.81

3. \$531.31

PART C

1. \$393.72

2. \$235.84

3. \$35.70