

Math 112 - Quiz 9

April 11, 2018

Name _____

Score _____

Show all work to receive full credit. Supply explanations when necessary.

1. (4 points) Jon needs \$1400 to buy a new MacBook Pro laptop computer. The computer store lends Jon the money at 9.99% simple interest for 24 months (2 years).
 - (a) How much interest will Jon pay?

 - (b) Jon decides to pay the total amount (principal + interest) in 24 equal monthly payments. How much is each payment?

2. (3 points) You find an annuity that is pays an interest rate of 6.75% compounded quarterly. How much money must you deposit each quarter in order to have \$400,000 in 35 years?

3. (3 points) After winning \$50,000 on a game show, Ashley invests the money in an account earning 5.65% compounded monthly. Use guess and check to determine about how long it will take for the account value to grow to \$150,000.