

Math 112 - Quiz 6

April 3, 2019

Name _____

Score _____

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

1. (2 points) Dorothy deposits \$18,000 into an account earning 7.85% compounded quarterly. Determine her effective interest rate. Write your final answer in percent form.

2. (5 points) A 30-year-old plans to retire at age 65. She decides to invest her inheritance of \$75,000 into an account earning 8.25% compounded semiannually.
 - (a) How much money will be in the account when she is 65 years old?

 - (b) How much of the money in the account is from interest?

3. (3 points) Maria plans to make a lump-sum deposit into an account earning 5.5% compounded monthly. How much should she deposit now in order to have \$20,000 in 15 years?