When using the TVM solver to answer a question make sure to do the following to ensure you get full marks.

/29

* Fill in the given boxes with what you input on your graphing calculator.
* **Circle what you are solving for.**
* Write a concluding statement for each problem.

**Future Value Problem: 7**

1) a) **Using the compound interest formula**, determine the final amount for a $15 000 loan on which the lending institution charges interest at a rate of 5.2% per year, compounded quarterly for 8 years. ➂



0

1

b) Use the TVM solver to answer the problem as well, to check your answer. ➁

**Present Value Problem:**

2) How much money would a family have to invest now, in order to have $40,000 saved for a down payment in 5 years? They can invest in a mutual fund that pays 9% interest compounded monthly. ➂



0

1

**TVM Solver Problems:** Make sure to include a “concluding” statement answering each question.

3) How many years would it take a $10,000 investment at 7.5%   
compounded monthly to grow to $20,000? ➂



0

1



0

1

4) Bort put $2,500 into a savings account where interest was   
compounded daily. In 2 years, it grew to $3,000. What was   
the yearly interest rate? ➂

5) Phil put a $100 purchase on his credit card, but forgot to pay it off for 2 years. If the credit card company charges 18% interest compounded monthly, how much will Phil have to pay back? ➂



0

1

6) In order to purchase a new laptop (worth $800) for school in 1 year, Sally invests her money in a savings bond that pays 5.4% interest compounded daily. How much does she need to invest now in order to buy the laptop? ➂



0

1

7) Bort invests 1000$ into an account that pays 5.2% compounded monthly.

a) If the money stays in the account for 3 years, calculate how much he will have at the end of those 3 years. ➂



0

1

b) If Bort **takes out $500 from the account** and then lets it grow **for another 2 years,** how much will he have in **another 2 years?** ➂



0

1

c) If Bort **takes out another $500 from the account** and then lets it grow **for another 2 years,** how much will he have in **another 2 years?** ➂



0

1