5. Mildred plans to put her graduation money into an account and leave it there for 4 years while she goes to college. She receives $750 in graduation money that she puts it into an account that earns 4.25% interest compounded semi-annually. How much will be in Mildred's account at the end of four years?

$ 887.40

6. Daniel and Adam put $5000 in the bank in 1987. They have been getting 2% interest compounded annually.

$ 7,884.50

a. What will their value be in 2010?

b. If they had earned interest compounded continuously, how much less or more would they have?

More, $ 7,920.37 → $ 35.87

7. If $ 4,000 is invested in an account paying 3% interest compounded continuously, what is the balance after 7 years?
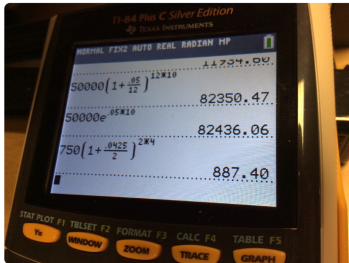
$ 4,934.71

8. If you invest $ 6.16 in an account paying 12% interest compounded continuously for 100 years, and that is all you have to leave your children as an inheritance, what will the final balance be that they will receive?
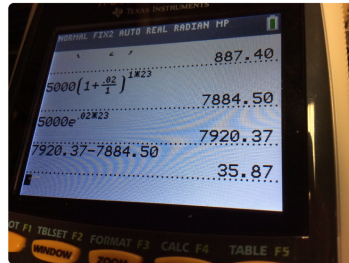
$ 1,002,569.52

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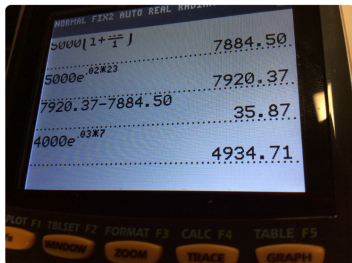
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