

Name: \_\_\_\_\_ Nos: \_\_\_\_\_ Grade: \_\_\_\_\_ LESSON QUIZ: COMPOUND INTEREST

Guidance 1. Read each question carefully before you begin answering it. G11

2. Check your answers seem right from the table given. 3. Always show your workings.

**FORMULAS:**

1. Susan puts \$20,000 in a saving account paying 8% annual interest compounded monthly. At this rate, how much money will be in the account after 40 years? **ANSWER:** \_\_\_\_\_
2. John wants to save \$2,000,000 for retirement in 45 years. He invests in a mutual fund paying an average of 9.5% each year compounded quarterly. How much should he deposit into his mutual fund? **ANSWER:** \_\_\_\_\_
3. Sarah wishes to turn her \$10,000 into \$100,000 in 20 years. How much interest does he need to receive compounded annually to reach her goal? Leaving your answer in decimal form **ANSWER:** \_\_\_\_\_
4. Marie invests \$50,000 into an index annuity that's averaging 8.4% per year compounded semiannually. At this rate, how much years will it take for her account to reach \$1,000,000? **ANSWER:** \_\_\_\_\_
5. Ezekiel wants to have \$1,500,000 in 50 years. How much should he invest now in account paying 12% interest compounded continuously? **ANSWER:** \_\_\_\_\_

0.122	3,718.13	36.4	485,467.79	29,249
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Click on finished, get your answer, take pictures and send via line ID: gpower11. By T.OJO