

Question 2

Match the following statements with the correct formulae.

Interest compounded half yearly

$$MV = P\left(1 + \frac{r}{4}\right)^{4t}$$

Interest compounded quarterly

$$MV = P\left(1 + \frac{r}{12}\right)^{12t}$$

Interest compounded every 4 months

$$MV = P\left(1 + \frac{r}{2}\right)^{2t}$$

Interest compounded monthly