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| To determine the compound amount of an investment of $10,000 with an interest rate of 6% compounded monthly after 4 years requires you to use a table factor that goes beyond the Compound Interest Table. Calculate the new table factor for this investment. (Points : 2.5) |



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| **5.** Now, using the new table factor from the previous question, calculate the compound amount for the $10,000 investment. (Points : 2.5) |



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| **6.** Compute the amount of compound interest earned in 1 year for an investment of $1,000,000 with a nominal interest rate of 8% compounded quarterly. (Points : 2.5) |



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| **7.** Compute the Annual Percentage Yield (APY) for the investment in the previous question. (Round APY to the nearest **hundredths** of a percent.) (Points : 2.5) |



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| **8.** Use the Present Value Table on page 358 of your text to compute the present value (principal) for an investment with a compound amount of $20,000, a 30-month term of investment, and a 14% nominal interest rate compounded semiannually. (Points : 2.5) |



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| **9.** What is the compound interest on the previous investment? (Points : 2.5) |



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| **10.** What is the present value of $73,000 in 11 years if the interest rate is 8% compounded semiannually? (Points : 2.5) |



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| **11.** What is the annual percentage yield of a $10,000 investment for 1 year at 12% interest compounded monthly? (Round APY to the nearest **hundredth**.) (Points : 2.5) |



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| **12.** You are the owner of a Jani-King cleaning service franchise. Your accountant has determined that your business will need $27,500 in new equipment in 3 years. If your bank is paying 6% interest compounded monthly, how much must you invest today to meet this financial goal? (Round to the nearest whole dollar.) (Points : 2.5) |



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| **13.** Bob and Joy Salkind want to save $50,000 in 5 ½ years for home improvement projects. If the Bank of Aventura is paying 8% interest compounded quarterly, how much must the couple deposit now to have the money for the projects? (Points : 2.5) |



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| **14.** Fred North owns Redlands Farms, a successful strawberry farm. The strawberry plants increase at a compound rate of 12% each year. Each year Fred brings new land under cultivation for the new strawberry plants. If the farm has 50 acres of strawberry plants today, how many acres of strawberry plants will the farm have in 8 years? Round to the nearest whole acre. (Points : 2.5) |



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| **15.** Quinn and Julius inherited $50,000 each from their great-grandmother’s estate. Quinn invested her money in a 5-year CD paying 1.6% interest compounded semiannually. Julius deposited his money in a money market account paying 1.05% compounded monthly. How much total money will Quinn have after 5 years? (Points : 2.5) |



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| **16.** How much total money will Julius have after 5 years? (Points : 2.5) |