**Problem P4-18 Future Value of annuity** For each case in the accompanying table, answer the question that follow.

 **Amount of Interest Deposit period**

 **Case annuity rate (years)**

 **A** $ 2,500 8% 10

 **B** 500 12 6

 **C** 30,000 20 5

 **D** 1 1,500 9 8

 **E** 6,000 14 30

a. Calculate the future value of the annuity assuming that it is

 (1) An ordinary annuity.

 (2) An annuity due.

b. Compare your finding in parts a (1) and a (2). All else being identical, which type of annuity – ordinary or annuity due – is preferable? Explain why?