

P4-40 Deposits to accumulate future sums For each of the cases shown in the following table, determine the amount of the equal, annual, end-of-year deposits necessary to accumulate the given sum at the end of the specified period, assuming the stated annual interest rate.

Case	Sum to be accumulated	Accumulation period (years)	Interest rate
A	\$ 5,000	3	12%
B	100,000	20	7
C	30,000	8	10
D	15,000	12	8

P4-41 Creating a retirement fund To supplement your planned retirement in exactly 42 years, you estimate that you need to accumulate \$220,000 by the end of 42 years from today. You plan to make equal, annual, end-of-year deposits into an account paying 8% annual interest.

- How large must the annual deposits be to create the \$220,000 fund by the end of 42 years?
- If you can afford to deposit only \$600 per year into the account, how much will you have accumulated by the end of the forty-second year?