HOMEWORK ANSWERS
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(3) $680.35
(4) $1,304.50
(5) $5,974.16
(6) a. $165.62
b. $1,075.62
c. $47.32
d. $47.32
(7) a. $151,351.10
b. ALL OF IT
(8) a. $126
b. $5,726
c. $128.84
d. $5,854.84
e. $254.84
(10) $3,390.46
(11) $15.69

Homework/Classwork

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HINTS
FDIC = FEDERAL DEPOSIT INSURANCE CORPORATION
* INSURES ANY ACCOUNT UP TO $100,000 OR UP TO $250,000 PER BANK.

6 MONTH DEPOSIT → $t = .5$
WEEKLY COMPOUNDING → $n = 52$
$4\frac{1}{2}\% = 4.5\% \rightarrow .045$
SEMI ANNUAL → 2 TIMES PER YR.

Jan 14-7:29 AM

4. $3.50 fee for every month balance is below $1500. starts with $1722 and withdraws 400. What is her balance in 4 months if her balance is never over $1500?

1722
-400
$1322 → BALANCE

3.50 X 4 = $14.00

Nov 10-8:50 AM

5. $7,000 deposit

$224.16 earned in interest (+)

withdraws $1000 (−)

pays $250 penalty (−)

Nov 10-9:03 AM

3. Find the simple interest on $2,219 principal, deposited for six years at a rate of 5.11%.

2219 x 6 x .0511 = $680.35

Nov 10-9:10 AM

8. deposits $5,600 into savings that pays 4 1/2% interest compounded semi-annually.

P = 5600 r = .045 n = 2

t = .5

a. interest in 1st 6 months

5600 · .045 · .5

I = $126

b. ending balance after 6 months

$5,726

c. interest in 2nd 6 months

5726 x .045 x .5

= $128

d. balance after year 1

5726 + 128 = $5,854.00

$A = 5600(1 + .045/2)^{(2)}$

$5,854

Nov 10-9:12 AM

6. Deposit $910 in to an account that pays 5.2% simple interest for 3.5 years.

a. interest: 910x.052x3.5 =

$165.62

b. ending balance: Principal + interest

910 + 165.62 = 1,075.62

c. 1 year interest: 910 x .052

$47.32

d. how much interest 3rd year.

same as c

$47.32

Nov 10-10:19 AM