MONEY Homework

1. A woman borrowed $2000 and agreed to repay it at the end of three years together with 10% simple interest. How much will she pay at the end of the three years?

   $2662 $3000 $2600 $2200 $2400

2. You put $6000 in the bank. How long will it have to stay there to double in value if the bank pays 8% interest compounded annually?

   6 Years 4 Years 9 years 8 years 20 Years

3. You invest $1000 in the bank each year for 3 years. The bank pays 7% interest compounded annually. How much money will you have in 5 years?

   $4125.36 $3822.57 $3938.39 $2655.37 $3600.04

4. You put $5000 in the bank and keep it there for 20 years. The bank pays 6.5% interest, compounded monthly. How much money will you have after 20 years?

   $18,282.23 $17,618.23 $11,500.00 $15,356.74 $12,721.56

5. Each year, your grandmother gives you $1000. You put the money in the bank at 6% annual interest compounded annually. How much money will you have after your 10^{th} deposit?

   $10,600 $7,360 $13,181 $10,000 not listed

6. What is the present value of the money your grandmother will give you?

   $10,600 $7,360 $13,181 $10,000 not listed

7. You borrow $18,000 from the bank. The bank charges 8% annual interest compounded monthly. What will be your monthly payment if you repay the loan in 5 years?

   $300 $426 $331 $365 not listed

8. You win $10,000,000 (future value) in the lottery and choose to take the money as an annuity paid out over 50 years. The interest rate on the annuity is 6% annually which is compounded monthly. What will be the monthly payment to you?

   $2,640 $16,667 $41,800 $3,264 not listed