

NAME _____

I. Simple Interest (Each blank in this section is worth 2 points.)

A. Fill in the following chart:

	<u>Principal</u>	<u>Simple Interest Rate</u>	<u>Time</u>	<u>Simple Interest Amount</u>	<u>Total Amount Owed</u>
1.)	\$1,200	8%	5 months	_____	_____
2.)	\$3,000	9.5%	3 years	_____	_____

B. Fill in the following chart using exact time - ordinary interest:

	<u>Principal (Amount Borrowed)</u>	<u>Simple Interest Rate</u>	<u>Date Borrowed</u>	<u>Date Repaid</u>	<u>Exact Time</u>	<u>Interest Amount</u>	<u>Due</u>
1.)	\$2000	7%	Jan 8, 94	Feb 12, 94	_____	_____	_____
2.)	\$1800	3%	Sep 10, 94	Sep 20, 94	_____	_____	_____

C. Fill in the chart using exact time - exact interest:

	<u>Principal Due</u>	<u>Simple Interest Rate</u>	<u>Date Borrowed</u>	<u>Date Repaid</u>	<u>Exact Time</u>	<u>Interest Amount</u>	<u>Amount</u>
1.)	\$750	9%	Mar 8, 94	Mar 12, 94	_____	_____	_____
2.)	\$500	4%	Dec 10, 94	Jan 6, 95	_____	_____	_____

D. Complete the table:

	<u>Principal</u>	<u>Interest Rate</u>	<u>Time</u>	<u>Simple Interest Amount</u>
1.)	_____ 10%		3 years	\$90
2.)	\$7000	_____	6 years	\$7560
3.)	\$2000	4.5%	_____	\$157.50

II. Compound Interest

1.) Without using a table figure out how much money you will have in 3 months if you deposit \$500 into a savings account that pays 3% interest compounded monthly. (6 points)

2.) Use a table to find the future value of the following: (2 points each blank)

	<u>Principal</u>	<u>Interest</u>	<u>Rate</u>	<u>Time</u>	<u>Rate</u>	<u># of</u>	<u>factor</u>	<u>Future</u>
	<u>Value</u>	<u>Rate</u>	<u>Time</u>	<u>compounded</u>	<u>Used</u>	<u>periods</u>	<u>used</u>	
(a.)	\$6,000	8%	5 years	quarterly	_____	_____	_____	_____
(b.)	\$6,000	12%	2 years	monthly	_____	_____	_____	_____

3.) Use a table to find the present value of the following: (2 points each blank)

	<u>Principal</u> <u>Value</u>	<u>Interest</u> <u>Rate</u>	<u>Time</u>	<u>Rate</u> <u>compounded</u>	<u># of</u> <u>Used</u>	<u>factor</u> <u>periods</u> <u>used</u>	<u>Present</u>
(a.)	\$20,000 _____	4%	10 years quarterly		_____	_____	_____
(b.)	\$20,000	4%	10 years semi-annually		_____	_____	_____

4.) If Kathy puts \$1000 into an account today and that account pays 6% interest compounded quarterly, how much will she have in her account five years from today if she doesn't make any withdrawals? (8 points)

5.) Juanita received a large inheritance. She wants to blow some of the money and put the rest into an account that pays 8% interest compounded quarterly. How much should she put into the account if she plans to pay cash for a \$150,000 house in ten years? (8 points)

6.) What is the effective rate or annual percentage yield of Karen's savings account if she puts \$2000 into an account that pays 8% compounded quarterly? (8 points)