

Valencia College

East Campus

Mathematics Department

MGF 1107

Test 2

Name:

Date:

I. Solve for the unknown variable. Round your answers to 8 dp

1. $57.5 = \frac{(1.003)^{12t} - 1}{0.003}$

2. $4^{-12t} + 1 = 1.75$

II. Suppose some municipal bonds pay 6.2% simple interest. How much should you invest in the bonds if you want them to be worth \$5000 in 10 years?

- III. A woman deposits \$500 into an account earning 4% compounded monthly. One year later she deposits an additional \$300 into the same account. What will be the total amount in the account 4 years after she made her first deposit?
- IV. Suppose \$600 is deposited at the end of each month into an account earning 10% interest compounded monthly. After 8 years the deposits are discontinued, but the money is left in the account and continues to earn the same interest. How much will be in the account 15 years after it was opened?