Chapter 5 Review WS

Short Answer

Figure 5.3. Use this table with the question(s) below, as needed.

Future Value of an Ordinary Annuity for $1.00 per Period				
Quarterly	Rate Per Period			
Period "n"	0.50%	1.00%	1.50%	2.00%
1	$1.00000	$1.00000	$1.00000	$1.00000
2	$2.00500	$2.01000	$2.01500	$2.02000
3	$3.01502	$3.03010	$3.04522	$3.06040
4	$4.03010	$4.06040	$4.09090	$4.12161
5	$5.05025	$5.10101	$5.15227	$5.20404
6	$6.07550	$6.15202	$6.22955	$6.30812
7	$7.10588	$7.21354	$7.32299	$7.43428
8	$8.14141	$8.28567	$8.43284	$8.58297
9	$9.18212	$9.36853	$9.55933	$9.75463
10	$10.22803	$10.46221	$10.70272	$10.94972
11	$11.27917	$11.56683	$11.86326	$12.16872
12	$12.33556	$12.68250	$13.04121	$13.41209

1. Use Figure 5.3. Unique Brown deposits $200 in an ordinary annuity at the end of each quarter in an account earning 6 percent interest compounded quarterly. What is the future value of the account in 2 years?

2. Use Figure 5.3. Ohanzee Awan deposits $675 in an ordinary annuity at the end of each quarter in an account earning 4 percent interest compounded quarterly. What is the future value of the account in 2 years?

3. Use Figure 5.3. Penelope Ball deposits $275 in an ordinary annuity at the end of each quarter in an account earning 4 percent interest compounded quarterly. What is the future value of the account in 3 years?

4. Laverne Connor has a check for $275.50 and a check for $12.25. She also has $167 in one-dollar bills. She would like to receive $45 in cash and deposit the rest of the money in her savings account. What is the total deposit?

5. Linwood Johnson has a check for $1,395.50 and a check for $876.25. He also has $10 in one-dollar bills. He would like to receive $475 in cash and deposit the rest of the money in his savings account. What is the total deposit?

6. Zoe Potter has a check for $366.50 and a check for $68.25. She also has $49 in one-dollar bills. She would like to receive $195 in cash and deposit the rest of the money in her savings account. What is the total deposit?

7. Nine thousand seven hundred fifty-seven and $\frac{32}{100}$ dollars as a numeral is:

8. Forty one thousand eighty seven and $\frac{50}{100}$ dollars as a numeral is:

9. Twenty thousand one and $\frac{10}{100}$ dollars as a numeral is:

10. The previous balance shown on Herman Taylor's savings account statement is $1,976.21. He receives $12.39 in interest, makes $16.46 in deposits, and has $898.07 in withdrawals. What is his new balance?

11. The previous balance shown on Hector Cortez's savings account statement is $706.31. He receives $4.39 in interest, makes $876.46 in deposits, and has $200.06 in withdrawals. What is his new balance?

12. Julie Fargus deposits $366 in a savings account at City Bank. The account pays an annual interest rate of 5 percent. She makes no other deposits or withdrawals. After three months the interest is calculated. How much simple interest does her money earn?

13. Arnold Ackerman deposits $870 in a savings account at Home City Bank. The account pays an annual interest rate of 7 percent. He makes no other deposits or withdrawals. After three months the interest is calculated. How much simple interest does his money earn?

14. Oscar Montez's savings account has a principal of $7,201. It earns 6 percent interest compounded quarterly. What is the amount in the account at the end of the second quarter?

15. Chin-Lin Pon has a principal of $900 in her savings account. It earns 6 percent interest compounded quarterly. What is the amount in the account at the end of the third quarter?

Figure 5.1. Use this table with the question(s) below, as needed.

Compound Interest—Amount of $1.00			
Total Interest Periods	Interest Rate per Period		
	1.250%	1.375%	1.500%
1	1.01250	1.01375	1.01500
2	1.02515	1.02768	1.03022
3	1.03797	1.04182	1.04567
4	1.05094	1.05614	1.06136
5	1.06408	1.07066	1.07728
6	1.07738	1.08538	1.09344
7	1.09085	1.10031	1.10984
8	1.10448	1.11544	1.12649

16. Use Figure 5.1. Justin Alvarez opened an account at Midwest Bank by depositing $621. The bank pays 5.5 percent interest compounded quarterly. He makes no other deposits or withdrawals. How much will there be in the account after 2 years?

17. Use Figure 5.1. Joanne Marty opened an account at Midwest Bank by depositing $890. The bank pays 5 percent interest compounded quarterly. She makes no other deposits or withdrawals. How much will she have in the account after 1 year?

Figure 5.2. Use this table with the question(s) below, as needed.

Amount of $1.00 at 5.5% Compounded Daily, 365-Day Year			
Day	Amount	Day	Amount
21	1.00316	31	1.00468
22	1.00331	32	1.00483
23	1.00347	33	1.00498
24	1.00362	34	1.00513
25	1.00377	35	1.00528

18. Use Figure 5.2. Alana Geltner deposited $2,225 in a savings account that pays 5.5 percent interest compounded daily. How much interest did she earn after 21 days?

19. Use Figure 5.2. John Hunt deposited $1,010 in a savings account that pays 5.5 percent interest compounded daily. How much interest did he earn after 33 days?

Chapter 5 Review WS
Answer Section

SHORT ANSWER

1. ANS:
   $1,686.57

   PTS: 1   DIF: Average   REF: Section 5-8
2. ANS:
   $5,592.83

   PTS: 1   DIF: Average   REF: Section 5-8
3. ANS:
   $3,487.69

   PTS: 1   DIF: Average . REF: Section 5-8
4. ANS:
   $409.75

   PTS: 1   DIF: Average   REF: Section 5-1
5. ANS:
   $1,806.75

   PTS: 1   DIF: Average   REF: Section 5-1
6. ANS:
   $288.75

   PTS: 1   DIF: Average   REF: Section 5-1
7. ANS:
   $9,757.32

   PTS: 1   DIF: Average   REF: Section 5-2
8. ANS:
   $41,087.50

   PTS: 1   DIF: Average   REF: Section 5-2

9. ANS:
$20,001.10

PTS: 1   DIF: Average   REF: Section 5-2

10. ANS:
$1,106.99

PTS: 1   DIF: Average   REF: Section 5-3

11. ANS:
$1,387.10

PTS: 1   DIF: Average   REF: Section 5-3

12. ANS:
$4.58

PTS: 1   DIF: Average   REF: Section 5-4

13. ANS:
$15.23

PTS: 1   DIF: Average   REF: Section 5-4

14. ANS:
$7,418.66

PTS: 1   DIF: Average   REF: Section 5-5

15. ANS:
$941.11

PTS: 1   DIF: Average   REF: Section 5-5

16. ANS:
$692.69

PTS: 1   DIF: Average   REF: Section 5-6

17. ANS:
$935.34

PTS: 1   DIF: Average   REF: Section 5-6

18. ANS:
$7.03

PTS: 1   DIF: Average   REF: Section 5-7

19. ANS:
$5.03

PTS: 1   DIF: Average   REF: Section 5-7