TABLE OF CONTENTS

25. Suppose you put $5,000 in a savings account that earns interest at 9%. How much will it be worth at the end of a year if the interest is

    a. simple interest?

    b. compounded annually?

    c. compounded semiannually?

    d. compounded quarterly?

    e. compounded monthly?

    f. compounded daily, counting 360 days per year?

26. Mr. Marler invests $10,000 in a time savings account that earns interest at 8%. Interest is paid semiannually. Instead of taking the interest each time it is due, Mr. Marler elects to let it accumulate along with his original investment. How much will be in the account at the end of five years, if the interest accumulated also earns interest?

