

Samples Periodic compounding

1. Peter the Mathematician is invited to attend the First International Congress of Mathematical Shoemaking to be held in Hawaii in 19 months' time. The problem is that Peter would be required to wear shoes but currently he doesn't have any. Clever Peter has a bank account earning 4.0% p.a., compounding monthly. How much money does he need to invest now in order to buy a pair of shoes and go to Hawaii, assuming the price of a pair of decent shoes is \$100 ? Ignore fees and taxes, and round your answer appropriately.
2. Peter the Mathematician is invited to attend the First International Congress of Mathematical Shoemaking to be held in Hawaii in 22 months' time. The problem is that Peter would be required to wear shoes but currently he doesn't have any. Clever Peter has a bank account earning 8.0% p.a., compounding monthly. How much money does he need to invest now in order to buy a pair of shoes and go to Hawaii, assuming the price of a pair of decent shoes is \$200 ? Ignore fees and taxes, and round your answer appropriately.
3. Peter the Mathematician is invited to attend the First International Congress of Mathematical Shoemaking to be held in Hawaii in 20 months' time. The problem is that Peter would be required to wear shoes but currently he doesn't have any. Clever Peter has a bank account earning 7.0% p.a., compounding monthly. How much money does he need to invest now in order to buy a pair of shoes and go to Hawaii, assuming the price of a pair of decent shoes is \$100 ? Ignore fees and taxes, and round your answer appropriately.