For full credit, show all your work and explain your answers.

Equations:

Compound Interest: $F = P(1 + \frac{r}{n})^{nt}$

Simple Interest:

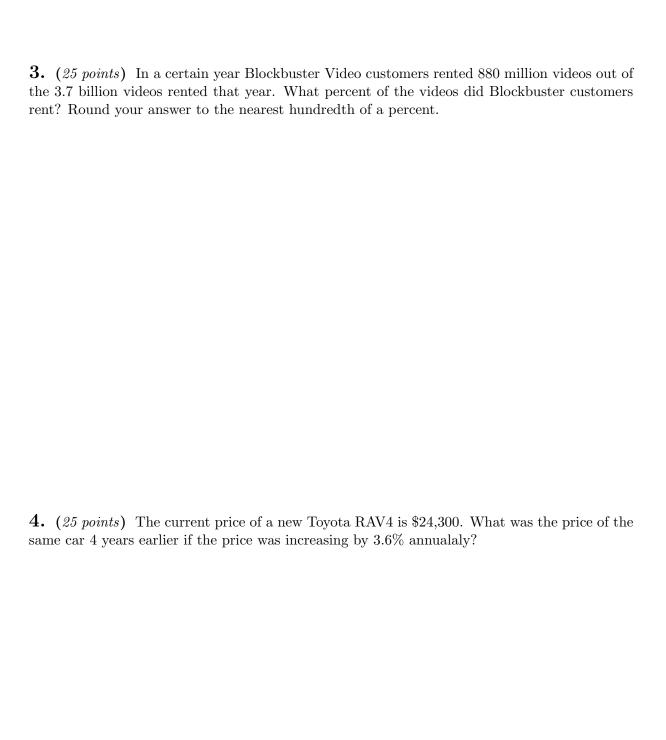
$$F = P + Prt$$

APY:

$$Y = \left(1 + \frac{r}{n}\right)^n - 1$$

- 1. (25 points) In 1980 the Federal Deficit was \$0.9 trillion dollars. In 2000 it was \$5.67 trillion dollars.
- A) What percent of the 1980 deficit was the 2000 deficit?
- B) How much did the deficit change from 1980 to 2000? What percent change does this represent?

2. (25 points) Suppose you invest \$5,000 at 8% compounded annually. What is the minimum number of years for which this principal must be invested in order to grow to \$10,000?



	A student took a \$2,0 (in months) if she had		rest. What was the
entire account in	The current balance full in 3 years. What ompounded daily?		

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