Math 105-21 **Name:** _____
Summer 2016 **Signature:** _____
Quiz 1 Version 1 **Score:** _____

Show all work to receive full credit.

Simple: $F = P + Prt$

Compounding: $F = P(1 + i)^m$

1. (5 points) Solve for P: $\$3000 = P + P(0.05)(2)$

2. (5 points) Find the interest rate of an investment valued at \$15,000 after a period of 6 years and 6 months that started at \$10,000, if interest is compounded quarterly.

3. (15 points) Suppose \$1000 is deposited in an account paying 5% annual interest.

   a Find the value after 10 years using simple interest

   b Find the value after 10 years using compound interest

   c Find the amount of interest earned for each

   d Explain why one is higher than the other