

Summer 2013 (Term II)

2. 9 points Andrew's rent is due today, but unfortunately, his bank account is empty. So, he has decided to take a loan out from a "payday loan" lender. He signed an agreement that would allow him to borrow \$500 today, and repay \$600 to the lender one month from today. What annual simple interest rate is he being charged? Express your final answer in the form of a percent.

3. 9 points The advertisement shown below was found on a website that advertises current interest rates for various certificates of deposit (CDs).

5 yr jumbo CD			
Institution	APY	Rate	Min Deposit
 ★★★★★	1.15% Fri May 31	1.15 % Compounded quarterly	\$100,000

Assuming that you invest the minimum deposit shown in the advertisement for this CD, what will be the value of this investment at the end of the five-year period based upon the APR? Round your final answer to the nearest dollar.