

Math 105-20 Summer Term II
Quiz 2

Name: _____

Show all work to get full credit of this 25 point quiz.

- 1.** (*5 points*) Solve for P:

$$\$3000 = P(1 + 0.02)^{20}$$

- 2.** (*5 points*) Solve for r:

$$\$38 = \$30(1 + r)^7$$

- 3.** (*5 points*) Find the principal that must be invested for a period of 8 years at 8% compounded monthly to accumulate \$15,000.00 at the end of that time.

4. (*5 points*) A bond selling for \$5,000 now can be redeemed in 12 years for \$13,250. What annual rate of compound interest does the bond pay? Round your answer to the nearest hundredth of a percent.

5. (*5 points*) In 1968 a gallon of gasoline cost \$0.27. In 2015 it cost \$3.00. What annual rate of growth does this represent?