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

Show all work to receive full credit.

All Interest: $F = P + I$
Simple: $I = Prt$
Compounding: $F = P(1 + i)^m$
where $i = \frac{r}{n}$ and $m = t \cdot n$

1. (2 points) Solve for P: $\$3300 = P + P(0.05)(2)$

2. (3 points) Find the annual rate of return for an initial investment of \$10,000 worth \$17,500 after a period of 6 years and 6 months, if the interest is compounded quarterly.

3. (5 points) Suppose \$1000 is deposited in an account paying 6% annual interest.

   a Find the future value after 10 years with simple interest.

   b Find the future value after 10 years with compound interest.

   c Find the amount of interest earned for a and b.

   d Briefly explain why one is higher than the other.