

This quiz is worth 25 points. You should clearly show all of your work and justify your answers where appropriate.

1. 15 points You want to accumulate \$7,500 six years and nine months from now by purchasing a certificate of deposit at your bank.
 - (a) How much should you pay for the CD now if the bank's CDs pay interest at the rate of 4.35% compounded monthly?

 - (b) How much interest will you have earned?

2. 10 points In 1968, a gallon of gasoline cost \$0.27. In 2013, it cost \$3.89. What annual rate of growth does this represent?