

## CHAPTER 6

Section 6.1 and 6.2.....	113
Section 6.3 .....	119
Section 6.4 .....	122

## CHAPTER 7

Section 7.1 .....	129
Section 7.2 .....	136

## CHAPTER 8

Section 8.1 .....	145
-------------------	-----

## CHAPTER 9

Section 9.1 .....	149
Section 9.2 .....	150
Section 9.5 .....	151
Section 9.6 .....	154
Section 9.7 .....	157

## CHAPTER 10

Section 10.1 .....	163
--------------------	-----

# CHAPTER 1

## SECTION 1.1

- 1.1.1 Balances are  $10,000(1.04) = 10,400$  after one year,  
 $10,000(1.04)^2 = 10,816$  after 2 years, and  
 $10,000(1.04)^3 = 11,248.64$  after 3 years.

Interest amounts are 400 at the end of the 1<sup>st</sup> year, 416 at the end of the 2<sup>nd</sup> year, and 432.64 at the end of the 3<sup>rd</sup> year.

- 1.1.2 (a)  $2500[1 + (.04)(10)] = 3500$   
(b)  $2500(1.04)^{10} = 3700.61$   
(c)  $2500(1.02)^{20} = 3714.87$   
(d)  $2500(1.01)^{40} = 3722.16$

- 1.1.3 Balance after 12 months is  $10,000(1.01)^3(1.0075)^9 = 11,019.70$ .  
Average monthly interest rate is  $j$ , where  
 $10,000(1+j)^{12} = 11,019.70$ .  
Solving for  $j$  results in .0081244.