

Quiz 1

- Due Jan 12 at 11:59pm
- Points 20
- Questions 4
- Available Jan 8 at 12am - Jan 12 at 11:59pm
- Time Limit 15 Minutes

This quiz is no longer available as the course has been concluded.

Attempt History

	Attempt	Time	Score
LATEST	Attempt 1	5 minutes	15 out of 20

Score for this quiz: 15 out of 20

Submitted Jan 8 at 4:30pm

This attempt took 5 minutes.

Correct answer



Question 1

5 / 5 pts

You are planning to add \$5,000 each year into your bank account which gives you an interest rate of 4% per year annually compounded. You have no bank balance right now.

How much money will be accumulated at the end of the 6th year?

☐ \$35,256

☐ \$27,081

☐ \$30,000

☒ \$33,164

Correct answer



Question 2

5 / 5 pts

Suppose you have \$10,000 in the bank. The interest rate is 5% per year compounded annually. You plan to add \$3,500 each year.

How long will it take to triple your savings to \$30,000?

Approximately

- ☐ 2,6 years
- ☐ cannot compute
- ☐ 6.1 years
- ☒ 4.5 years

Correct answer



Question 3

5 / 5 pts

You have taken a loan of \$600,000. You have to pay \$57,500 each year for 20 years to pay off the loan. What is the interest rate that the bank is charging you?

- ☐ 5.7%
- ☐ 8.1%
- ☒ 7.2%
- ☐ 6.4%

Wrong answer



Question 4

0 / 5 pts

You are planning to work for 30 years, save enough money, then retire and spend for the next 30 years. For this you are going to put aside some money each year as savings for the first 30 years.

What rate environments help you to achieve your goal with smaller savings each year?

- ☒ rates that are high for the first 30 years and then low for the next 30 years
- ☐ a high rate environment

- ☐ Cannot decide
- ☐ a low rate environment

Quiz Score: 15 out of 20