

## Feb 23 Practice problems

**Practice 1:** Mina deposits \$500 at the end of each month for 10 years, in an account paying 5% compounded monthly, how much will she have on deposit after 10 years?

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**Practice 2:** Napoleon deposits \$1,200 at the end of each quarter for 10 years, in an account paying 8 % compounded quarterly, how much will he have on deposit after 10 years?

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**Practice 3-a:** Jose wants to retire in twenty years and for this purpose he is depositing \$200 at the end of each month in a sinking fund that pays 7.2% compounded monthly. If he will be doing this for twenty years, then how much money will be there for him when he retires?

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**Practice 3-b:** If Joe wants to accumulate \$130,000 in the twenty years period, and then what interest rate would provide that amount?

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**Practice 4:** Find the amount of payment to be Joe needs to make into a sinking fund every quarter to accumulate \$62,000 after 6 years: Knowing that money earns 8 % compounded quarterly.

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**Practice 5:** Find the amount of payment to be made into a sinking fund to accumulate \$75,000 for 4 and half year: money earns 6% compounded semiannually.