

Ex. 1) If \$400 is invested at 5% per year compounded **annually**, what is the total amount after 6 years?

Ex. 2) If \$400 is invested at 5% per year compounded **semi-annually**, what is the total amount after 6 years?

On your Own

For each problem, calculate the amount of money you would have if

- a) your interest was compounded annually
- b) your interest was compounded semi-annually
- c) your interest was compounded monthly
- d) your interest was compounded daily

1. \$1000 at 3.5% interest for 7 years

2. \$10,000 at 5.5% interest for 12 years