Rule of 72, Nominal and Effective Rates, Simple Interest:

**i = (1 + j/m)m – 1  **

1. If you deposit $1000 in an account that pays 6% per annum for 125 days, how much will you have at the end of this term?
2. If you deposit $430 and after 5 months you have $450, what is the interest rate?
3. If you invest $4000 in an account that pays 7% per annum for 4 years, how much will you have at the end of 4 years?
4. What is the effective rate of interest for an investment at 17% compounded semi-annually?
5. If you deposit $880 and after 5 months you have $902, what is the interest rate?
6. If you invest $1500 in an account that pays 11% per annum, and it earns $82 in interest how long was the money invested?
7. If you have $7860 at the end of 18 months, how much was invested if the interest rate was 9.25%?
8. Using the rule of 72, how long would it take a $30 000 investment to double at a rate of 11%?
9. If you deposit $6300 in an account that pays 5.5% per annum for 200 days, how much will you have at the end of this term?
10. Using the rule of 72, how long would it take a $5700 investment to double at a rate of 3%?
11. Suppose that you deposit $1,000 into a savings account that pays 4% annual simple interest. How much will be in the account after 2 years? After 5 years?
12. How much interest will you earn in five years with an initial deposit of $100 at 3.5% simple interest?
13. What is the effective rate of interest for an investment at 9% compounded quarterly?
14. If $8,000 is deposited in an account earning 2.1% simple interest, what is the future value in 7 years?

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