Ready for the test??? REVIEW Time...

Chapter 8: Investing Money
- mid chapter review p. 481
- chp review p. 507
- chp self test p. 506

Chapter 9: Borrowing Money
- mid chapter review p. 539
- chp review p. 573
- chp self test p. 572

Cumulative Review...Chp. 8/9 p. 576

Simple Interest

$$I = \Pr t$$
$$A = P + I$$
$$A = P + \Pr t$$
$$A = P(1 + rt)$$

Compound Interest

$$A = P\left(1 + \frac{r}{n}\right)^{nt}$$
$$I = A - P$$

Present Value

$$P = \frac{A}{\left(1 + \frac{r}{n}\right)^{nt}}$$

Rule of 72 and Rate of Return

$$Doubling\ Time = \frac{72}{Rate}$$
$$ROR = \frac{\$earn}{\$invested} \times 100\%$$

TVM-Solver

N =
I % =
PV =
PMT =
FV =
P / Y =
C / Y =
PMT : END BEGIN

P. 576

(2)

$I = A - P$

$= 3000 - 2500$

$= 500$

P

A

t

2. Cam has been saving for a car. He has $2500 that he wants to invest, hoping that he will end up with $3000 to use as a down payment. His bank offers a savings account that earns 5.5% simple interest, paid annually. How long will it take Cam to reach his goal?

$t = ?$

$t = \frac{I}{Pr}$

$= \frac{500}{2500(0.055)}$

$= 3.6$ years

$=$ 4 years

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Compound Interest

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