

## 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

$$I = Prt$$

$$A = P + I$$

$$A = P + Prt$$

$$A = P(1 + rt)$$

#### 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

$$\text{Doubling Time} = \frac{72}{\text{Rate}}$$

$$\text{ROR} = \frac{\text{\$earn}}{\text{\$invested}} \times 100\%$$

#### TVM-Solver

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

P. 576

$$I = A - P$$

$$= 3000 - 2500$$

$$= 500$$



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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?

$$t = ?$$

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

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

$$= 3.6 \text{ years}$$

$$= \boxed{4 \text{ years}}$$



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