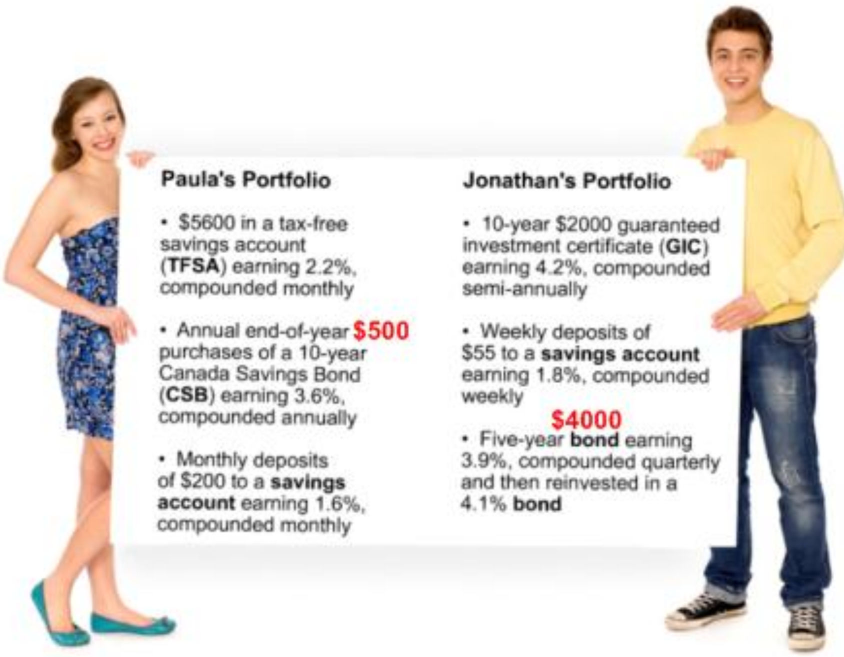
Comparing Investment Portfolios

Jonathan and Paula are each hoping to buy a house in ten years. They have each chosen an investment portfolio, hoping to save for a large down payment in ten years. Whose portfolio will show the better return?



Using the information provided, answer the following questions for each portfolio. *After making an honest effort, click each question to check your work.*

1. How much principal do Paula and Jonathan each invest over the ten years? Include both single payment investments and the total of regular payments.

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2. What is the future value of each person's portfolio, in ten years? Don't forget that Jonathan reinvests his bond after five years.

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3. What rate of return does each person's portfolio have after ten years? Rate of return is the ratio of the amount an investment has increased in value at a given point to the amount invested.