

Question #23197

Christine has \$875.83 in her savings account. The account pays 9% compounded monthly. Christine does not make any deposits or withdrawals over the next 6 months. How much interest does the account earn?

Solution:

$$S = K \left(1 + \frac{p}{100} * \frac{n}{12} \right)^N, N\text{-number of periods, } K\text{-original capital, } p\text{-interest,}$$

n-period compounded the interest

$$S = 875.83 \left(1 + \frac{9}{12 * 100} \right)^6 = 915.88 \$$$

$$915.88 - 875.83 = 40.05 \$$$

Answer : 40.05 \$