

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-number of periods ,K-original capital ,p-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 \$