

Answer on Question #80584 – Math – Financial Math

Question

1. Find the amount. That will be accumulated in each account under the condition set forth.
A principal of \$2000 is accumulated with 7.5% interest compounded monthly for 4 years.

Solution

4 year = $12 \times 4 = 48$ months.

$$FV = PV (1 + r)^n = \$2000 * (1 + 0.075/12)^{48} = \$2697.2$$

Answer: the amount is \$2697.2