

NAME AND NETID:

Question 1. A Texas A&M student opens with Wells Fargo a savings account which accrues nominal annual interest at a rate of 5.5% compounded monthly. If \$65.00 is deposited at the end of every month, calculate how long (to the nearest month) it takes for the account to hold \$4500.00. [4]

Question 2. The European Central Bank gave the United Kingdom \$61000 million as its last loan, at an interest rate of 9.5% per year compounded monthly, and is to be repaid in equal monthly installments over a period of eight years. Calculate how much the monthly payments should be in order for the loan to be amortized as described. [4]

Question 3. Determine the accumulated value after four years on a principal of \$2200 given a nominal interest rate of 3% compounded continuously. [2]