

Math 113

Name: _____

Date: _____

Quiz #8 – Future Value of an Annuity/Sinking Funds

1.) Jake and Ally pay \$200 every month into an ordinary annuity paying 8% compounded monthly. What is the value of the annuity after 30 deposits?

How much interest is earned?

2.) Ian wishes to have \$650,000 in a pension fund 20 years from now. How much should he deposit each month into an account paying 10% interest compounded monthly to have \$550,000 in 20 years.

How much interest will Ian's investment earn?