

*lecture #5

[2] A bank is paying 5.5% (simple interest) on an account with \$500. How much money is in the account after 30 months?

Simple interest ($r = 5.5\% = \frac{5.5}{100} = .055$)

$$p = 500 \$, t = 30 \text{ month} = \frac{30}{12} = 2.5 \text{ years}$$

$$S = ??$$

$$S = p + I$$

$$= p + prt$$

$$= 500 + 500(.055)(2.5)$$

$$= 500 + 68.75 = \boxed{568.75 \$}$$

[3] Find the future amount for ~~\$~~ \$p invested at 2.5% simple interest for 72 months.

present value (p), $r = \frac{2.5}{100} = .025$, $t = \frac{72}{12} = 6$ years

$$S = p + I$$

$$= p + prt$$

$$= p + p(.025)(6)$$

$$= p + .15p = \boxed{1.15p} \$$$