Practice worksheet | Financial mathematics

Savings annuities

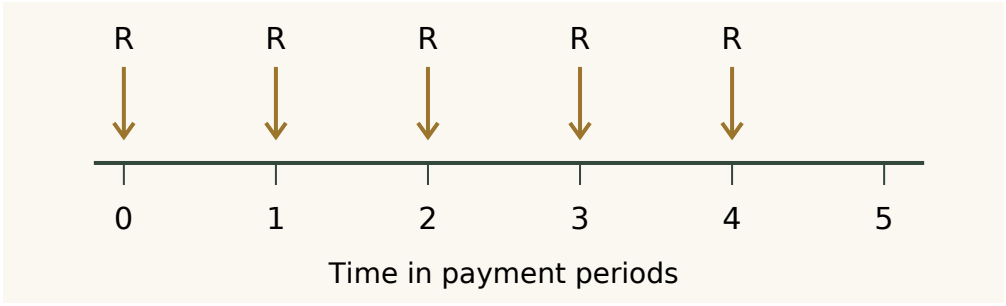
Name: _____ Date: _____

6 questions | 18 marks

1. Deposit AUD 80 at each month end for 12 months. Interest is 0.4% monthly. Find the final balance. [3 marks]

2. Deposit AUD 250 at each year end for 6 years in an account paying no interest. Find the final balance. [3 marks]

3. Deposit AUD 300 at each year beginning for 5 years at 3%. Measure the balance at time 5. Find it. [3 marks]



4. An ordinary annuity ends with AUD 6,200 after 10 deposits of AUD 500. How much interest has been earned? [3 marks]

5. At 5% annually, compare three end-of-year deposits of AUD 1,000 with one AUD 3,000 deposit at time 0, both measured at time 3. [3 marks]

6. An account has AUD 2,000 now. With 4% annual interest and AUD 400 deposits at each year end, write and calculate its balance after 2 years. [3 marks]