

Math 196: Linear Algebra for Business Students

Assignment 7

Due October 31, 2014, by 12:00pm (noon) in Johnson 117A

1. From Section 5.4 of the textbook, do questions # 6, 10, 12, 16
2. A bank account pays interest at 12% compounded monthly, and has a monthly fee of \$10, deducted at the end of each month. If \$13,000 is deposited on January 1, 2013, how much is in the account on January 1, 2016?
3. Consider the following annuity scheme: regular payments of \$200 are made every two months at the end of the month (in other words, there are six equally spaced payments over the year) into an account with a nominal rate of 6% compounded monthly. Note, this is not an ordinary annuity or an annuity due. What is the value of the annuity in 10 years? What is the present value of the annuity?