Are there any Homework Questions you would like to see on the board?

pp. 476-477 # 1, 2, 8, 10

Today's Learning Goal(s):

By the end of the class, I will be able to:

a) Use the TVM Solver to solve problems involving future value, present value, number of payments, and interest rate.

Warm-up/Simple Interest Review

Anthony invests \$980 at 9%/a simple interest.

Determine the total amount of his investment after 10 months.

Recall:
$$I = Prt$$
 $I = Prt$ $I = Prt$ $I = Prt$ $I = 980(0.09)(\frac{10}{12})$ $I = 980(0.09)(\frac{10}{12})$

after 10 months, the total amount of his investment is

#1053.50

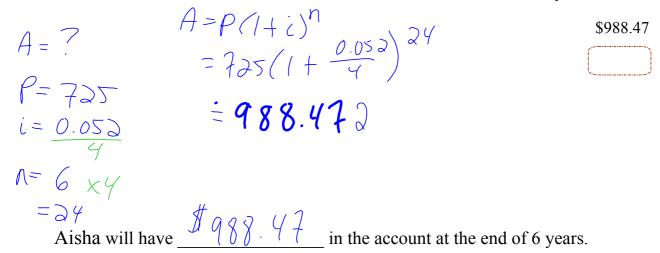
MCF 3MI

8.4 Compound Interest: Solving Financial Problems (Using the TVM Solver)

$$A = P(1+i)^n$$
 or $\frac{A}{(1+i)^n} = P$ Date: $\frac{\sqrt{30}}{\sqrt{100}} = P$

Ex. 1: Aisha invests \$725 at 5.2%/a interest compounded quarterly.

Determine the total amount in Aisha's account at the end of 6 years.



Now, using your Chromebook and the weblink in our Google classroom, we can check our work using a TVM Calculator.

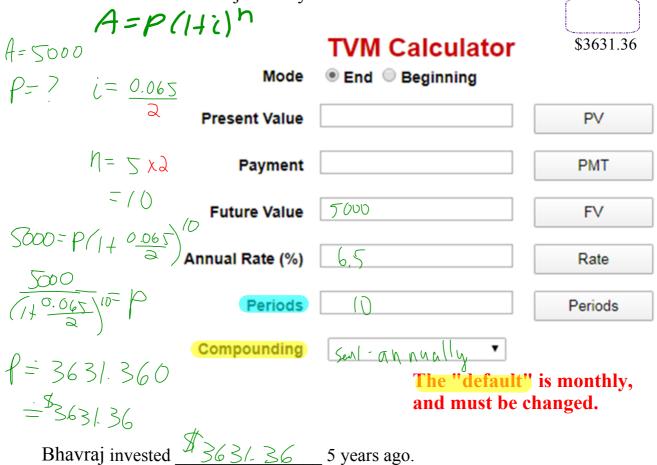
For the software to work properly, PV (present value) must be negative. "Periods" is "n", the number of compounding periods.

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http://www.fncalculator.com/1

Mode	TVM Calculator ● End ● Beginning	
Present Value	-725	PV
Payment		PMT
Future Value		FV
Annual Rate (%)	5.2	Rate
Periods	24	Periods
Compounding	Quarterly	The "default" is monthly, and must be changed.

Ex. 2: Bhavraj invested money in a savings bond, earning 6.5%/a interest, compounded semi-annually. If after 5 years, he got \$5000 back, how much did Bhavraj initially invest?



Ex. 3: Kat's friend lent her some money with an interest rate of 3.6%/a, compounded monthly. After 2 years, Kat paid \$500.76 back to her friend.

How much did Kat initially borrow from her friend?

	$A = P(1+i)^{3}$ 500.76-P(1+0.036) $\frac{500.76}{(1+0.036)^{34}} = P$ $\frac{1+0.036}{12}$	⊋ 4 Mode	TVM Calculator • End • Beginning	
H = 500.76	500.76=P(1+ 0.036)	Present Value		PV
P= ?	500.760	Payment		PMT
$i = \frac{0.036}{12}$	(1+ v.036) 24 - 1	Future Value	500-76	FV
	P= 466.022	Annual Rate (%)	3,6	Rate
$U = 3 \times 17$	P= 160,022	Periods	24	Periods
	<u>.</u> #	Compounding	m unthly .	
\$466.02	¥ 4 ((())	0	
Kat initi	ially borrowed #466.	^U d froi	m her friend.	
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Revisit Today's Learning Goals

Today's Homework:

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pp. 486-488 #1 – 3, 6, 7, 10, 14

READ pp. 489-490

(Mid-Chapter Review) pp. 491-492 # 1, 2, 4 – 14
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Continue completing your UNIT ASSIGNMENT!!