

TVM SOLVER PRACTICE PROBLEMS

Please use your own paper. List the Finance Menu (see below), fill in the data, and star the variable for which you're solving.

N = _____

I% = _____

PV = _____

PMT = _____

FV = _____

P/Y = _____

C/Y = _____

PMT (B or E) = _____

- 1) What is the balance of an account if \$10,000 is invested at 6.5% interest compounded monthly for 10 years?
- 2) What is the principle needed for an account to have a balance of \$10,000 after 10 years with interest compounded quarterly at $5\frac{3}{8}\%$?
- 3) What is the percent of interest needed for an account to have a balance of \$1,000,000 after 200 years interest compounded monthly with an initial deposit of \$5.00.
- 4) What is the balance of an account if \$120 is deposited monthly at $6\frac{1}{4}\%$ compounded monthly for 10 years?
- 5) What can an investor expect to receive at the end of a year if he deposits \$200 in a bank giving 10% interest? Compare simple interest (1 compounding period) to interest compounded monthly.
- 6) How long will it take a dollar to double at 8% compounded semiannually?
- 7) What amount needs to be deposited in an investment that yields 5% so that it will be worth \$600 at year end? (1 compounding period)
- 8) What can a finance teacher withdraw from her account if she saves \$1,000 a year for 3 years at 5% interest compounded quarterly?