Answer the following questions. Make answers easy to find.

1) Dan and Mary Fisher just divorced. The divorce settlement included that Mary had to create a college fund for their daughter. The judge said the fund has to be $50,000 in 13 years. Mary finds a high yield investment account that gives 11.25% compounded monthly. How much is her monthly payment and how much will she make in interest?

2) Mr. and Mrs. Thompson deposit $2500 into an account at the beginning of each year for 20 years for retirement. The account is 6% compounded annually. Find the future value of the account and the interest from the account.

3) Jim and Betty Collins want to save $6500 for a down payment on a home they intend to purchase in 2 years. They invest $750 at the end of each quarter in an account earning 6.3% compounded quarterly. Will the Collins’ have enough money and how much extra or under their goal will they be?
4) Mark is considering creating an account to use for a vacation. He is putting $150 a month in an account at 6.2% compounded monthly and leaving it for 2 years. What is the difference if he set this account up as an annuity due and as a regular annuity? How much interest would he make on each?

5) I am planning to retire at 65 and then hope to live another 25 years. In that time (retirement) of my life, I am planning to live on $2750 per month from my retirement account. If I find an account that has 4.75% compounded monthly, how much will have to be in the account the day I retire?