

Compound interest 5.15.17

Welcome

Compound interest: $A = P(1 + \frac{r}{n})^{nt}$

A=The total amount at the end

P=Principal the amount initially invested

r= annual rate

n= numbers of times compounded per year

In the year 1626 you invest \$24 in the company W.B. Mason. It is compounded 2 times a year at a rate of 6%. How much money would you earn by the year 2026?

Label A, P, r, n, and t.

A=?

P=24

r=6%=.06

t=400 (2026-1626)

n=2

Then use the equation to solve $A = 24(1 + \frac{06}{2})^{2 \cdot 400}$

Use your calculator to solve this. And get \$447,000,000,000.