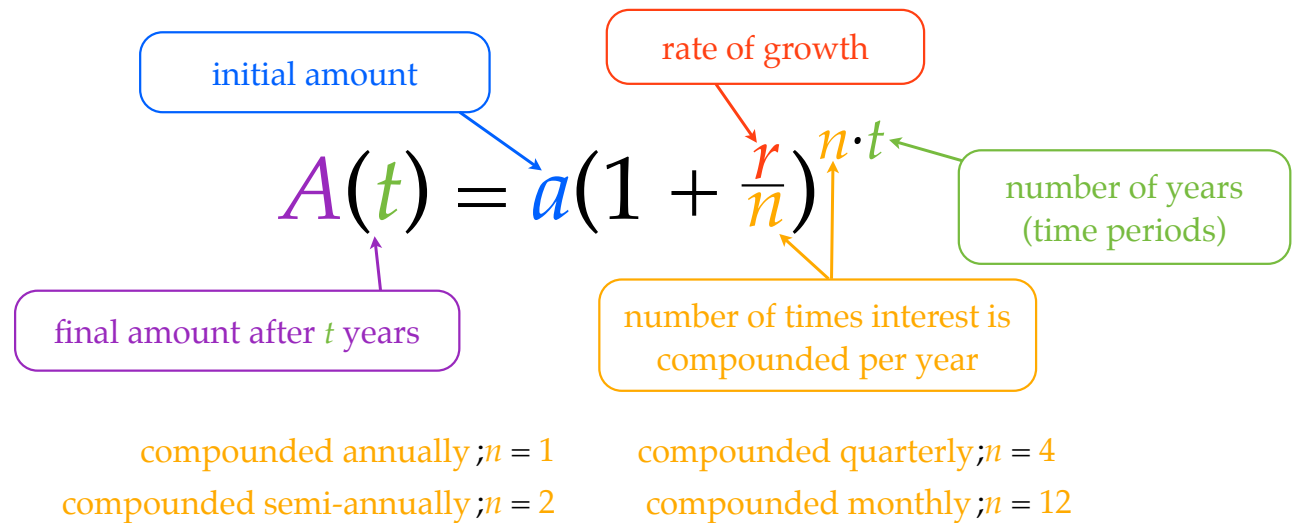
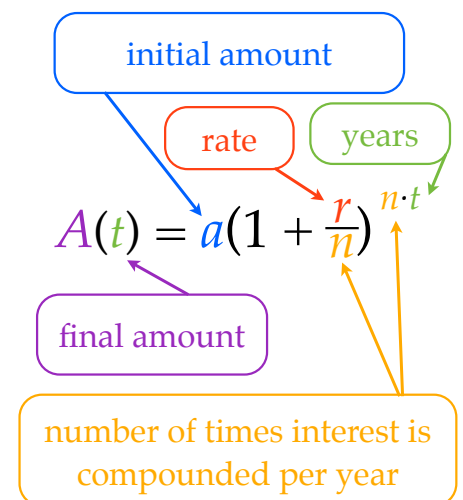


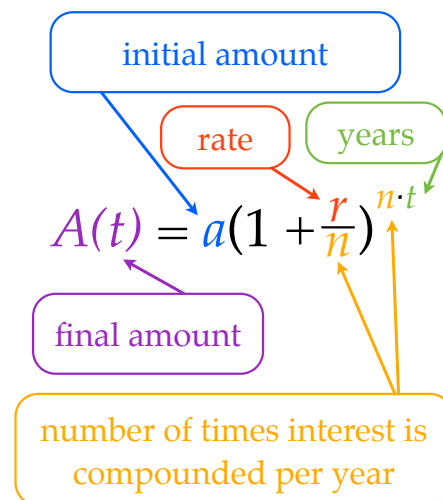
Compound Interest Equation



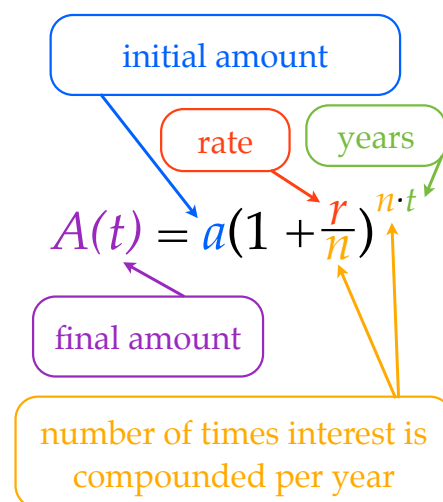
You deposit \$1000 in a bank account that pays you 6% interest. How much money will you have in 25 years if your interest is compounded annually? quarterly? monthly?



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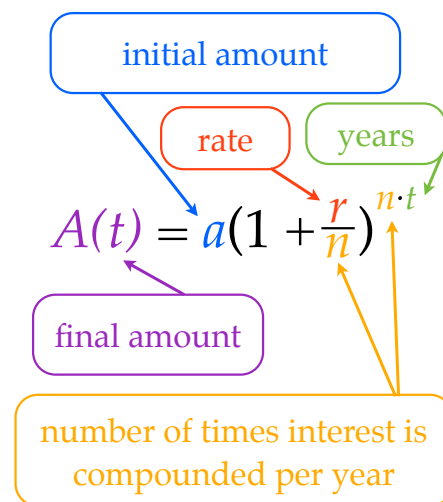


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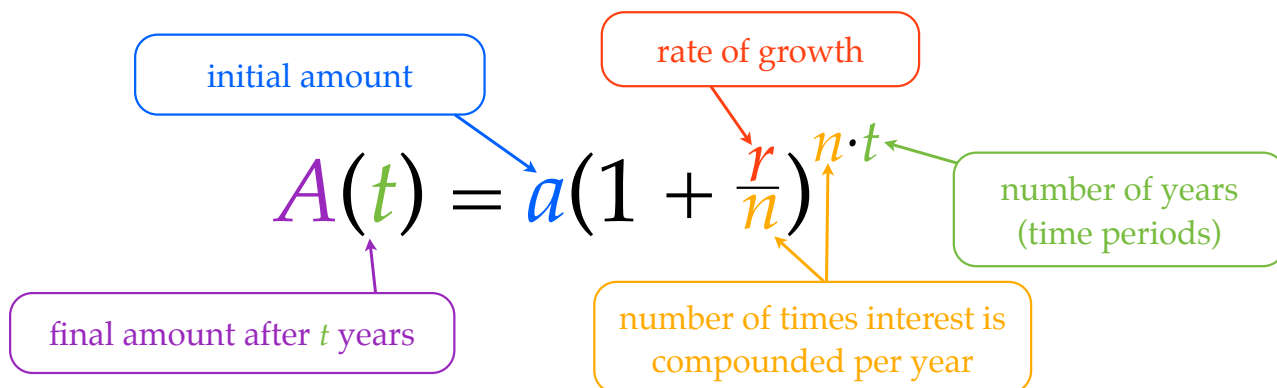
annually
 $A(25) \approx \$4,291.87$

quarterly
 $A(25) \approx \$4,432.05$

monthly
 $A(25) \approx \$4,464.97$



Compound Interest Equation



compounded annually; $n = 1$
 compounded semi-annually; $n = 2$

compounded quarterly; $n = 4$
 compounded monthly; $n = 12$