

Chapter 2
Banking

Section 2-9

The Term of a Single Deposit Account

Objective:
Construct

Calculate

Example 1

You have \$1000.00 in your savings account. It earns 2% interest and compounds semi-annually. You need exactly \$1,061.52 to pay for one summer session's tuition. How long will it take for this account to reach your goal?

B =
p =
r =
n =
t =

Example 4 – You Try It!

Nancy and Bob want to renovate their kitchen sometime in the future. They have deposited \$16,000 into an account that compounds interest monthly at a rate of 2.4%. How long will it take until that account reaches \$20,000?

B =
p =
r =
n =
t =

Example 5

Sheri deposited \$8,000 into an account that compounds continuously at a rate of 3.7%. How long will it take for his money to grow to \$10,000?

A =
P =
r =
t =