

Name: _____ Date: _____

TVM Solver questions

For the following problems use the TVM solver on the graphing calculators to solve.

SAVINGS:

1. What can an investor expect to receive at the end of a year if he deposits \$200 in a bank giving 10% interest compounded daily?

N:
I % :
PV:
PMT:
FV:
P / Y:
C / Y:

2. How long will it take a dollar to double at 8% compounded semiannually?

N:
I % :
PV:
PMT:
FV:
P / Y:
C / Y:

3. What amount needs to be deposited in an investment that yields 5% so that it will be worth \$600 at year end assuming it is compounded annually?

N:
I % :
PV:
PMT:
FV:
P / Y:
C / Y:

4. What can a finance teacher expect to have saved in her account if she saves (deposits) \$1,000 a year for 3 years at 5% annual interest? (Assume she started with no other money in her account)

N:
I % :
PV:
PMT:
FV:
P / Y:
C / Y:

5. A biologist deposits \$1,000 in her account at the end of each quarter for 10 years. How much money does she have at the end of 10 years if the bank pays 6% interest compounded quarterly? (Again assume that she started with no other money in her account)

N:
I % :
PV:
PMT:
FV:
P / Y:
C / Y:

Flip to back!

LOANS

6. Your parents need to replace their roof and take out a home improvement loan to pay for it. The loan is for \$25,655 with an interest rate of 9.99% compounded monthly for 7 years. How much will their monthly payments be?

N:

I % :

PV:

PMT:

FV:

P / Y:

C / Y:

7. Tony just graduated college and needs to buy a car. After looking at his budget he realizes he can only afford a monthly payment of \$199 a month. His bank has pre-approved him for a 72 month 3.99% rate. How expensive of a car can he afford? (Assume the loan is compounded monthly)

N:

I % :

PV:

PMT:

FV:

P / Y:

C / Y:

8. Ashley got herself into some bad credit card debt. She currently owes \$3,455. Her interest on her credit card is 2.599% compounded monthly. Her minimum monthly payment is \$50. If she only makes the minimum monthly payment, how many *years* will it take her to pay off her debt? (remember that N will be in months)

N:

I % :

PV:

PMT:

FV:

P / Y:

C / Y:

9. Ashley wants to have all of her credit card debt to be paid off in 2 years. What would her monthly payment need to be?

N:

I % :

PV:

PMT:

FV:

P / Y:

C / Y: