

Quiz 1

Name: _____

Suppose you deposit \$5000 in a bank account on January 1, 2004. The account pays an annual interest rate of 1.25% (compounded annually).

Find a formula for the bank account balance as a function of the number of years since 2004.

Using your answer from part (a), determine what the balance will be in 2012.

(Bonus 5 pts.) Using your answer from part (a), determine what year the balance will exceed \$6000.