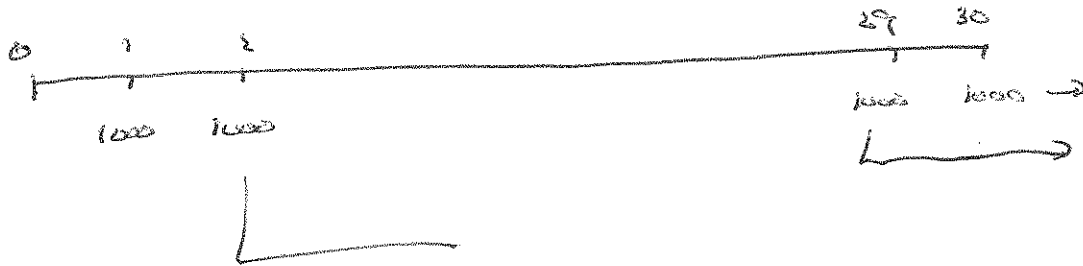


Annuities

6.321
11

Ex1: Suppose we save \$1000 at the end of each year for 5 years. What is FV if our investment earns 10%, compounded annually.

Ex2: Same as above, but for 30 years.



Ex3: As in (2.), but ~~\$1000~~ monthly @ \$83/mo. and compound monthly

\$164,494
\$187,620.50

Derive the formula.