1:25 Quiz: 2/1/12   Name _____

Quiz: You would like to amass $100,000 by four years from today. To achieve your goal, you plan to make the first of several quarterly deposits five months from today. You also plan for each subsequent deposit to be 2% larger than the previous one and to make your final deposit three years and eight months from today. After this final deposit, you will allow your account to earn interest until you withdraw the $100,000 four years from today. How large must your first deposit be if the APR on your account equals 7% with monthly compounding?

Note: You don't have to solve anything, just set up the appropriate equations and fill in the correct numbers you would need to answer the question.

Note: Bonus WSJ Questions on back of page