1) Mr. Smith’s father invested $10 when he was a child. He left it alone in an account that pays 3% interest, compounded yearly. 65 years later, how much is in the account?

|  |  |
| --- | --- |
| Variables | Calculations: |
| Principal (P) = |
| Rate (r) = |
| Time (t) = |
| Conclusion: | |

2) At the same time, Mr. Smith’s mother invested $10 in a different account with double the interest rate at 6% compounded yearly. How much does she have in 65 years? It will be more than double than Mr. Smith’s dad!

|  |  |
| --- | --- |
| Variables | Calculations: |
| Principal (P) = |
| Rate (r) = |
| Time (t) = |
| Conclusion: | |

But what if we wanted to find out how long it would take an investment to double? Or what we might want to invest now if we needed $2,000 in the future? We can’t use this formula to do those worthwhile questions, so we will resort to a TVM (Time Value of Money) solver.