

KING FAHD UNIVERSITY OF PETROLEUM AND MINERALS
DEPARTMENT OF MATHEMATICS AND STATISTICS
MATH 131 - QUIZ 4

Name:

Student ID #:

Question1. An initial investment of \$4,000 grows to \$4,884 in five years. If interest is compounded monthly, find the nominal rate of interest compounded monthly that is earned by the money.

Question2. Find the effective rate of interest which corresponds to a nominal interest rate of 9 % compounded quarterly.

Your Solution.