Section 7.4

Simple Total Income:
Anna is burning and selling CDs that offer a tutorial for Math 1526. This project gives her an income of $500 a year. What is the total amount of money she will receive over a 5-year period?

Future Value:
Anna has decided that she needs to invest the money she earns from her CDs. She has decided on a special account at the VA Tech Credit Union. She will put in $500 every year at 8% annual interest compounded continuously for 5 years. What will be the value of her investment at the end of that time?

Present Value:
If Anna wanted to put in a lump sum now in order to get the same results as in problem two above, how would she determine that amount at 8% annual interest compounded continuously?