

EXTRA POINTS (5 points) – Pension + Saving

How much will be your regular pension payments (annuities) over 20 years? The pension will be paid monthly and you know that the pension is paid after (at the end of payment period). For the purpose of your pension plan you will create a budget by regular saving in the amount of 2,000.00. The annuity for saving is twice a year and it is ahead payment. The saving process will last 30 years. The financial institution promised you an interest rate in the amount of 0.6 % p.m. (monthly) and the interest period is one quarter. The interest conditions (interest rate and interest calculation is for both annuities – saving, pension, the same!).

(5 points)