

Some examples on Annuities

1. How much you will have on your saving account, if you save at the end of every month 1,200.00? The annual interest rate is 5 %.

2. How much should be the annuity for regular saving, if the target value is 85,000.00 in 7 years? The interest rate is 3.7 % p.a. and you save once a quarter.

3. Assume the following saving plan and calculate how much will be provided only on interest. Your regular saving is 5,555.00 for 5 years and 5 months. The calculation will be provided by ahead saving. The interest and payment periods are one month with 5 % p.a..

4. What will be the amount of a semi-annual pension that will be provided over 20 years. The interest rate for the pension fund is 4.5. % p. a. You save for your pension for 37 years and you know that the bank offers 3.9 % p. a. The payment and interest periods are two months. In the case of saving assume after saving and for the pension plan assume ahead paid annuities.

5. How much will be the regular annuity for ahead paid pension over 20 years. The pension will be paid every 4 months. For the whole pension plan will be used an amount of 1,000,000.00. The pension fund promises 4.1 % p.a. ($IP=PP$)

6. Calculate a regular semi-annual payment for saving that you will provide for 14 years. Assume ahead saving. The banks offers 3.8 % p. a. The saved money you immediately use for a monthly pension, paid at the end of every month. The pension corresponds to 8,000.00 and the pension fund offers 4.5 % p. a..