

Annuities - Saving

Homework 05

Please calculate how much money will a client have available in 25 years.

In bank A, the client agrees to deposit a regular installment of **500** at the beginning of each month for 8 years. He starts saving immediately. The bank offers 2.1 % p.s..

Bank B offers 3.9 % p.a.. In this institution, the client starts saving 1,500 in regular intervals four times a year for 12 years eight years after the first deposit with the previous bank. Consider an ordinary annuity.

In the last bank C, the client starts saving 16 years after the first saving (*bank A*) and continues to save until the end of the intended 25-year period. He deposits the amount of 3,500 twice a year, while the bank provides 4.3 %p.a..

How much will the client earn in total from interest?

Note: All deposits strictly respect the time value of money!
(*The money remains in the bank's account at all times.*)