



3) The first credit card that you got charges 24 % interest to its customers and compounds that interest monthly. Within one day of getting your first credit card, your paramour maxes out the credit limit by spending \$1,500.00 . If you do not buy anything else on the card and you do not make any payments, how much money would you owe the company after 1 year? How much of this amount is interest? (XC) How long would it be before you owed them \$3,000.00 ?

4) How much money would you need to “sock away” now to have a quarter-million dollar (\$250,000.00) nest egg when you retire? There is an investment available to you that guarantees a 6.5% earnings rate, compounded quarterly. Be sure to calculate and state how many years it will be before you expect to retire.