Homework 4

1. Do Problem 2.2 in the textbook.

2. Do Problem 2.9 in the textbook.

3. There is a commercial on TV right now that says many people spend more money on their morning Starbucks than they invest in their retirement savings. Let’s say you stop at Starbucks every morning on the way to school and buy a $6 cup of fancy coffee. Assuming, for simplicity, that there are 30 days in a month, that’s $180 per month you could be investing in your retirement. If you deposit $180 per month into a savings account paying 0.25% per month compound interest, how much will you have saved up after 40 years of working as an engineer?

4. Do Problem 2.14 in the textbook.