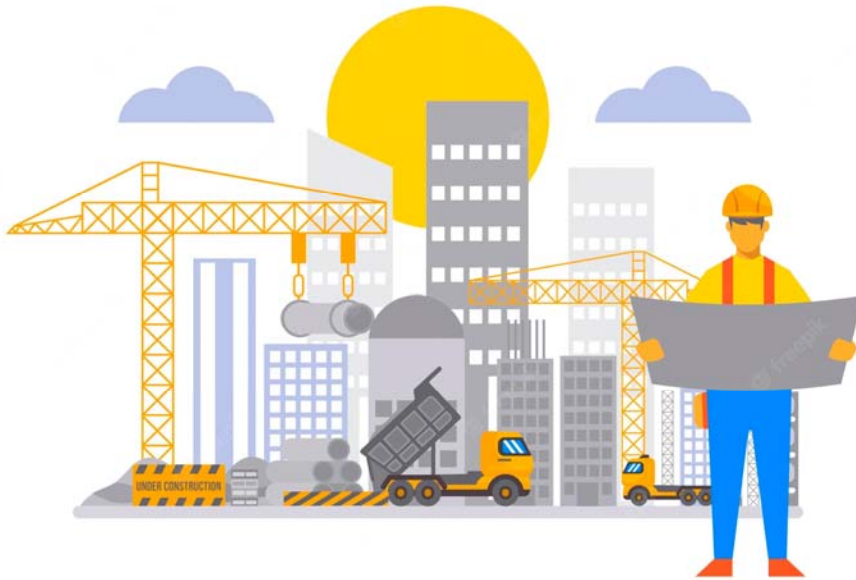


Problem 2-109 (Compound Cash Flow Series)



McCarthy Construction is trying to bring the company-funded portion of its employee retirement fund into compliance with HB-301. The company has already deposited \$500,000 in each of the last 5 years. If, beginning this year, the company increases its deposits by 15% per year each year through Year 20, how much will be in the fund immediately after the last deposit, provided the fund grows at a rate of 12% per year?