

MATA32 – Winter 2010
Quiz 4

Name: _____

1. A debt of \$6,000 due five years from now is instead to be paid off by three payments: \$1000 now, \$1500 in two years, and a final payment at the end of four years. What would this final payment be if an interest rate of 5% compounded annually is assumed?

2. Find the sum of the geometric series

$$\frac{1}{4} + \frac{1}{8} + \frac{1}{16} + \frac{1}{32} + \cdots + \frac{1}{2^8}$$