PRINT Your Name:____________________________________

Quiz – October 12, 2004

If Methuselah's parents had put \$100 in the bank for him at birth and he left it there, what would Methuselah have had at his death (969 years later) if interest was 8% compounded annually?

Answer: Interest is compounded one time per year, so the amount of money in the bank after t years is $A(t) = A(0)(1+r)^t$; so $A(969) = \boxed{100(1.08)^{969}}$. If you are doing this at home you can use your calculator to see that $100(1.08)^{969}$ is approximately equal to 2.4413×10^{34} dollars!