

Solution 1.36

The Nicor family is planning to purchase a new home 3 years from now. If they have \$240,000 now, how much will be available 3 years from now? The fund grows at a compound rate of 12% per year.

Solution:

$$\begin{aligned} F &= 240,000(1 + 0.12)^3 \\ &= \$337,183 \end{aligned}$$