**Solution 1.61**

A company that utilizes carbon fiber 3-D printing wants to have money available 2 years from now to add new equipment. The company currently has $650,000 in a capital account and it plans to de­posit $200,000 now and another $200,000 one year from now. The total amount available in 2 years, provided it returns a compounded rate of 15% per year, is closest to:

(*a*) $1,354,100

(*b*) $1,324,100

(*c*) $1,125,125

(*d* ) $1,050,000

*Solution:*

Amount available = total principal in year 0 + interest for 2 years + principal added year 1

+ interest for 1 year

= 850,000(1+0.15)2 + 200,000 (1+0.15)

= 1,124,125 + 230,000

= $1,354,125

Answer is (a)