

5. Calculate the Total Interest for an investment of \$2 million at 3.5% p.a. compounded quarterly for 1 year. How much more interest would you make if the interest rate was 3.6% p.a. compounded quarterly for 1 year?

Total Interest at 3.5% \_\_\_\_\_

Total Interest at 3.6% \_\_\_\_\_

Difference \_\_\_\_\_

6. (Harder) Calculate the Final Amount after 5 years for an investment of \$5 000 if the first 3 years have a rate of 4% p.a. compounded semi-annually, and the last 2 years are at 8% p.a. compounded semi-annually. Answer the following:

**Step 1:** Enter the \$5000, 4%, and 2 (for semi-annually) into the spreadsheet, and copy row 10 down to row 25.

**Step 2:** The first 3 years go down six rows to row 14 (3 years semi-annually = 6).

**Change the rate in row 15 to 0.04 and press enter.** (You use 0.04 because 8% semi-annually is 4% which is 0.04.) The spreadsheet will change so that you see 0.04 from period 7 down.

**Step 3:** Read the amount and interest from row 18 (period 10)

Final Amount \_\_\_\_\_ Total Interest \_\_\_\_\_

7. Calculate the Final Amount after 6 years for an investment of \$10 000 if the first 4 years have a rate of 5% p.a. compounded semi-annually, and the last 2 years are at 6% p.a. compounded semi-annually.

Final Amount \_\_\_\_\_ Total Interest \_\_\_\_\_