1. You deposit $3,550 in an account that pays 4% annual interest. Find the balance after 1 year if the interest is compounded annually.

2. Jessi has saved up her money over the last year, and she would like to invest $1,025. She is considering 2 options.

* She has found a **Certificate of Deposit** (CD) that pays 6% **simple** interest for 5 years.

**Interest earned will be the same every year!**

* She also has found a **US Treasury Bond** that will pay 2.5% compounded annually.

**Interest earned will change every year depending on the balance!**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| CD / Year | Beginning Balance | Interest earned | Ending balance | Treasury Bond/Year | Beginning balance | Interest earned | Ending Balance |
| 1 |  |  |  | 1 |  |  |  |
| 2 |  |  |  | 2 |  |  |  |
| 3 |  |  |  | 3 |  |  |  |
| 4 |  |  |  | 4 |  |  |  |
| 5 |  |  |  | 5 |  |  |  |

Which investment should Jessi chose, why?

CD value \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Treasury bond value \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

3. You are considering two job offers:

**Job 1 -** A full time permanent position as a teacher that pays $40,000 annually and

**Job 2** - A full-time contract job for a local tutoring company (five 8-hour days per week) that pays $22 per hour.

Estimate the gross annual income, gross monthly income, and after tax monthly income for each job offer. Record your estimates in the Job Summary Table below.

|  |  |  |  |
| --- | --- | --- | --- |
| **Row No.** | **Job:** | **Permanent Position** | **Contract Position** |
| **1** | **Income Information** |  |  |
| **2** | Process |  |  |
| **3** | **Gross Annual Income** |  |  |
| **4** | Process |  |  |
| **5** | **Gross Monthly Income** |  |  |
| **6** | Process | **.7725** | **.7725** |
| **7** | **After – Tax Monthly Income** |  |  |
| **8** | Process  Health Insurance: | **$80.00** | **$170** |
| **9** | Process  Retirement Plan: | **$77.25** | **$159.47** |
| **10** | **Monthly take – home income** |  |  |

Which job would you choose? Explain why.