Name: _____

MBF 3C   Independent Practice: Exponential Growth   Date: _____

Answer the following problem using your best mathematical and narrative (i.e., explanatory) forms.

Problem:

You've had an investment for several years, interest compounded annually. Below (see chart) is a partial series of the yearly balances (interest paid out at the end of the year) you've had in your investment account.

a) Determine the growth factor for your investment. Show how you determined it.

b) Describe and/or show how you would calculate the balance in your account for

      i) Year 1   ii)   Year 0   iii) What do you think your answer for Year 0 represents? Explain.

c) When you receive the statement for your account balance at the end of Year 10, how much will be in your account? Show the full details of your work for this. Hint: Can you think of a way to use a power to help you answer this problem effectively?

Year	0	1	2	3	4	...
Balance	?	?	4000.32	4160.34	4326.75	...