

NAME: \_\_\_\_\_

1. Which equation can be used to find continuously compounded interest?  
[A]  $P = (1 + e)^{rt}$       [B]  $A = Pe^{rt}$   
[C]  $A = Pr^{et}$       [D]  $P = \left(1 + \frac{1}{e}\right)^{rt}$
2. If \$7000 is invested at a rate of 11% compounded continuously, find the balance in the account after 2 years. Use the formula  $P = P_0 e^{kt}$ .  
[A] \$51723.39      [B] \$8624.70  
[C] \$9736.78      [D] \$8722.54
3. What amount (to the nearest cent) will an account have after 10 years if \$50 is invested at 7.5% interest compounded continuously?  
[A] \$104.41      [B] \$103.05  
[C] \$105.85      [D] \$105.12
4. What principal invested at 11% compounded continuously for 6 years will yield \$1210? Round the answer to two decimal places.
5. What principal invested at 6% compounded continuously for 2 years will yield \$1100? Round the answer to two decimal places.

[1] B

[2] D

[3] C

[4] \$625.39

[5] \$975.61