Solutions to Problem

I used an accounting problem, since I have not taken math 618 yet.

Present Value (PV) = $21,826
Future Value (FV) = $70,000
i = 24%, compounded quarterly so i = 6%

FV = PV * FVF(i | n)

$70,000 = $21,286 * FVF(6% | n)

FVF(6% | n) = $70,000 / $21,826 = 3.207

Based on table for future value of a lump sum, n = 20. However, since we are compounding quarterly, n*4 = 20 so n = 5 years.