

B-13.02

Review the discussion on future value from the textbook, and complete the following requirements (you will find it helpful to access the future value tables hyper-linked within the online version of the textbook).

- (a) Prepare basic calculations showing how much a lump sum of \$10,000 invested at 7% per year will become after 6 years. For this requirement, do not refer to the future value table.
- (b) Verify your answer to part (a) by utilizing the appropriate future value factor from the applicable table.
- (c) Construct a table of basic calculations showing how much \$10,000 invested every year (as of the beginning of each year) at 7% per year will become after 6 years. For this requirement, you may refer to the future value table for \$1 (but do not utilize the annuity table).
- (d) Verify your answer to part (c) by utilizing the annuity future value factor from the applicable table.