

Activity 5.1.1 - The Miracle of Compounding

Use the data in the table to answer the questions that follow.

Cousin A			Cousin B	
Age	\$ Payment	End-of-Year Accumulation	\$ Payment	End-of-Year Accumulation
18	\$2,000	\$2,200	\$0	\$0
19	2,000	4,620	0	0
20	2,000	7,082	0	0
21	2,000	9,790.20	0	0
22	2,000	12,769.22	0	0
23	2,000	16,046.14	0	0
24	2,000	19,650.76	0	0
25	2,000	23,777.42	0	0
26	0	26,155.16	2,000	2,200
27	0	28,770.68	2,000	4,620
28	0	31,647.75	2,000	7,282
29	0	34,812.52	2,000	10,210.20
30	0	38,293.77	2,000	13,431.22
31	0	42,123.15	2,000	16,974.34
32	0	46,335.46	2,000	20,871.77
33	0	50,969.01	2,000	25,158.95
34	0	56,065.26	2,000	29,874.85
35	0	61,671.69	2,000	35,062.33
36	0	67,838.96	2,000	40,768.57
37	0	74,622.86	2,000	47,045.42
38	0	82,085.15	2,000	53,949.97
39	0	90,293.66	2,000	61,544.96
40	0	99,323.03	2,000	69,899.46
41	0	109,255.33	2,000	79,089.40

Activity 5.1.1 - (continued) The Miracle of Compounding

Cousin A			Cousin B	
Age	\$ Payment	End-of-Year Accumulation	\$ Payment	End-of-Year Accumulation
42	\$0	\$120,180.87	\$2,000	\$89,198.35
43	0	132,198.95	2,000	100,318.18
44	0	145,418.85	2,000	112,550.00
45	0	159,960.73	2,000	126,005.00
46	0	175,956.81	2,000	140,805.50
47	0	193,552.49	2,000	157,086.05
48	0	212,907.74	2,000	174,994.65
49	0	234,198.51	2,000	194,694.12
50	0	257,618.36	2,000	216,363.53
51	0	283,380.20	2,000	240,199.88
52	0	311,718.21	2,000	266,419.87
53	0	342,890.04	2,000	295,261.87
54	0	377,179.04	2,000	326,988.06
55	0	414,896.94	2,000	361,886.86
56	0	456,386.63	2,000	400,275.55
57	0	502,025.30	2,000	442,503.10
58	0	552,227.83	2,000	488,953.41
59	0	607,450.61	2,000	540,048.75
60	0	668,195.67	2,000	596,253.63
61	0	735,015.24	2,000	658,078.99
62	0	808,516.76	2,000	726,086.89
	Total Contribution		Total Contribution	
	Total Amount of Interest Earned		Total Amount of Interest Earned	