For each problem, show your work, including the formulas or arithmetic procedures which you used to get your answer.

1. (5 points) Which is a better investment: investment A earning 4.9% annual interest compounded quarterly, or investment B earning 4.8% annual interest compounded monthly? Include reasoning or calculation; an answer alone is insufficient.

2. (5 points) You have invested $2000 in a 42-month certificate of deposit which pays 2.3% annual interest, compounded semiannually. How much will this CD be worth at the end of the 42-month investment period?

3. (5 points) A municipal bond will mature in 25 years to a value of $25,000 and has an interest rate of 1.8%, compounded annually. What is the price of this bond?

4. (5 points) A bank offers you a loan of $1000 under the conditions that $1300 be repaid in five years. What annually compounded interest rate are they charging?