How much money must Carol deposit every year starting 1 year from now at 5.5%/year in order to accumulate $6K after 7 years from now?

$$A = F(A/F, i, n) = 6000(A/F, 5.5\%, 7)$$

$$= 6000 * \left(\frac{i}{(1+i)^n - 1}\right)$$

$$= 6{,}000 * \left(\frac{0.055}{1.055^7 - 1}\right)$$

$$= \$725.79/\text{year}$$

(pp. 590-591)

or from tables $(A/F, 6\%, 7) = 0.1191$

$(A/F, 5\%, 7) = 0.1228$

$$\Rightarrow (A/F, 5.5\%, 7) \cong \frac{0.1191 + 0.1228}{2}$$

$$= 0.12098$$

$$\Rightarrow A \cong 6000 * 0.12098 = \$725.88$$