

Engineer receives \$12 K  
bonus. After 24 years  
money will be used for  
a down payment on a vacation home.

interest rate is 8%.

How much will he be able  
to pay?

$$\begin{aligned} F &= P(F/P, i, n) = 12(F/P, 8\%, 24) \\ &= 12(1 + 0.08)^{24} \\ &= \$76,094.17 \end{aligned}$$

You can also use a table to

$$\text{yet } (F/P, 8\%, 24) = 6.3412 \quad (\text{p. 593})$$

$$\Rightarrow F \approx 12 * 6.3412 = 76,094.40$$