

**21** Future value is given by  $S_n = a_1 \left( \frac{(1+i)^n - 1}{i} \right)$ , where  $A_0 = a_1$ .

$$S_5 = 10000 \left( \frac{(1+0.11)^5 - 1}{0.11} \right) \approx 62,278.01$$

If \$10,000 is deposited into an account at the end of each year for 5 years and the account pays 11% interest, then the future value of this annuity will be \$62,278.01.