

Algebra Essentials and Applications Internet Activity

ME1 Investments Investigations

1. What is a CD? What is a corporate bond? How are they different?

2. What is the most recent rate on a 6-month CD?

3. What is the most recent rate on corporate AAA bonds?

You have up to \$10,000 to invest in CDs and corporate AAA bonds at the rates you found above. You want to put no more than half of your money in the bonds. Also, you want a return of at least \$500 in interest per year. You are not going to reinvest any of your earnings; that is, the interest is not compounded.

4. Let x represent the amount invested in CDs, and let y represent the amount invested in corporate AAA bonds. Write a system of linear inequalities to represent the possible amounts invested in each option.

Graph the system of inequalities on a separate sheet of paper or on a graphics calculator.

5. Give the coordinates of the corners of the solution region and find the total return on your investments at each corner.
