

Suppose you want to buy a car and have decided that you can save \$100 a month

<http://www.thesimpledollar.com/best-high-interest-savings-accounts/>

Interest rate on savings: 1.05%

Future Value, given Payment,

Future Value $A = PMT[(1+r/n)^{nt} - 1]/(r/n)$

PMT	100
Rate: r	1.05%
Time: t	1
Periods: n	12
Amount: A	\$1,205.79

How much money saved in a year's time? \$1,205.79

How much will be interest? \$5.79

Why wouldn't a linear model work?