***“Invest Systematically”***



You and your fellow financial advisors (the other students in your group) have just been given $18,000 to invest in various simple-interest earning funds. The three types of funds you have to choose from are a Treasury bond fund, a certificate of deposit (CD) at a local bank, and a business money market account. The Treasury bond fund earns 5% interest, the CD earns 7% interest, and the business money market account earns a projected 11% interest. Since the business money market account is considered high risk, your investors will only allow you to invest up to $3,000 in that fund. Also, because of tax reasons, you need to invest at least three times as much in the Treasury bond fund as in the bank CD. Assuming the projected interest yields are accurate, work together and come up with the optimal investment strategy to earn the maximum amount of profit. Create a system of equations that models this situation, and then use that system to find the exact amount of money to invest in each fund. After you have decided how much to invest in each fund, calculate how much profit your investment will yield. Show all of your work below.