

Choosing Job Offers

Mike and Ike are graduating from the same college with the same degree in the same field. Both receive job offers, but with different companies. Mike is offered an annual salary of \$35,000 with a guaranteed raise of \$1000 every year. Ike is offered a starting salary of \$30,000 with a guaranteed raise of 5% every year. (a) Whose is the better job offer and why?

(b) What additional information would you need in order to make a more intelligent comparison?

(c) Use a spreadsheet to show whether (and if so, when) Ike's salary will catch up to Mike's. Construct your spreadsheet so that if the starting salaries are changed, all spreadsheet values update correctly. Save your spreadsheet on disk for class presentation. Then print a copy and attach it to this worksheet.