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3.

$$\begin{aligned} \text{APY} &= \left( 1 + \frac{0.0718}{12} \right)^{12} - 1 \\ &= 1.0742 - 1 \\ &= 0.0742 \\ &= \boxed{7.42\%} \end{aligned}$$

$$\begin{aligned} 4. &= \left( 1 + \frac{0.012}{12} \right)^{12(2)} - 1 \\ &= 1.0243 - 1 \\ &= 0.0243 \\ &= \boxed{2.43\%} \end{aligned}$$