

Math 9 – Simple and Compound Interest Review Sheet

Principal: _____

Interest: _____

Final Amount: _____ + _____

Compounding Period: _____

Annually – ____ times per year

Semi-Annually – ____ times per year

Quarterly – ____ times per year

Monthly – ____ times per year

Daily – ____ times per year

Every Two Weeks – ____ times per year

Semi-monthly – ____ times per year

Simple Interest

$$I = P \cdot r \cdot t$$

I = _____

A = _____

P = _____

r = _____ (_____)

t = _____ (in _____)

n = _____

Compound Interest

$$A = P \left(1 + \frac{r}{n} \right)^{nt}$$

If I invested \$1000 for 5 years at 8%,

a) how much **interest** do I earn

b) what is the **final amount** using:

i. **Simple Interest**

ii. **Compound interest, compounded Annually**

iii. **Compound Interest, compounded Semi-Annually**

iv. **Compound interest, compounded Monthly**

Homework:

Section 2.3 #1all, 2ab, 3, 5, 7, 8, 9
10, 11, 12*, 14*, 15*

Answers:

i.a) \$400 b) \$1400
iii.a) \$480.24 b) \$1480.24

ii.a) \$469.33 b) \$1469.33
iv.a) \$489.85 b) \$1489.85