

Name _____ Period _____ Date _____

Formula for Compound Interest:

Compound Interest

1) Brad deposited \$4,000 into a savings account that earns 5% compound interest, compounded annually. How much interest did he earn after three years?

2) Jarvis deposited \$5,000 into a savings account that earns 6% compound interest, compounded annually. How much interest did he earn after three years?

3) Courtney deposited \$8,000 into a savings account that earns 4% compound interest, compounded annually. How much interest did she earn after 6 years?

4) Sara deposited \$12,000 into a savings account that earns 5% compound interest, compounded annually. Her sister, Lisa, deposited \$12,000 into a savings account that earns 5.5% compound interest, compounded annually. How much more money does Lisa have than Sara after 10 years?

5) Jackie's grandmother deposited \$5000 into a savings account for college when Jackie was born. The money earns 3.5% compound interest, compounded annually. How much money will Jackie have in the account when she turns 18 years old?

6) Morgan's grandfather gave her \$2,500 when she turned 12. She deposited it into a savings account that earns 4.75% compound interest, compounded annually. Four years later on her 16th birthday, Morgan wants to purchase a used car that costs \$3,000. Does Morgan have enough money to purchase the car? Explain how much more she needs or how much she has left over.