

# MasterMath

## Formula for Compound Interest

Name \_\_\_\_\_  
Date \_\_\_\_\_

1. Fill in the blanks:

Principal	Interest	Term	Balance
\$6,000.00	16.0%	8	
\$6,000.00	4.5%	25	
\$1,250.00	9.0%	3	
	10.0%	10	\$259.37
\$750.00		5	\$957.21
\$1,675.00	1.5%	20	
	5.9%	4	\$3,395.84

2. You deposit \$2,500.00 into an account earning 6% interest compounded annually. What is your balance after 5 years? How much interest did you earn?

Balance	Interest Earned

3. You have \$4,000 to put into a savings account. Bank A is offering 5% simple Interest. Bank B is offering 5% interest compounded annually. Determine what your balance would be at each bank after 10 years.

Bank A	Bank B

4. Your savings account earns 6% interest compounded annually. You opened the account 6 years ago, and haven't made any deposits or withdrawals since then. The account balance is now \$709.26. What was your original deposit?

5. You need \$6,500 to pay for tuition, room, board and books for your first year at State College 4 years from now. How much do you need to deposit in a savings account today to have \$6,500 in 4 years if the account pays 4.5% interest compounded annually.



