## 6.2 Worksheet [Simple and Compound Interest]

1. Brandon wants to invest $2000.00. His bank offers an investment option that earns simple interest at a rate of 1.75% per year.

a) If he invests the money for 1 year, how much interest will he earn? How much money he will have at the end of the term?

b) If he invests the money for 2 years, how much interest will he earn? How much money he will have at the end of the term?

c) If he invests the money for 6 months, how much interest will he earn? How much money he will have at the end of the term?

d) If he invests the money for 47 days, how much interest will he earn? How much money he will have at the end of the term?

2. An invest earning simple interest at a rate of 1.10% per annum for a term of 5 years earned $82.50 in interest. What was the principal?

3. Jared wants to invest $2000.00. His bank offers an investment option that earns compound interest at a rate of 1.75% per year, compounded semi-annually.

a) If he invests the money for 1 year, how much money he will have at the end of the term? How much interest will he earn?

b) If he invests the money for 5 years, how much money he will have at the end of the term? How much interest will he earn?

c) If he invests the money for 5 years, and **interest is compounded monthly**, how much money he will have at the end of the term? How much interest will he earn?

4. How long will it take an investment of $5577, invested at a rate of 1.75% per annum,compounded annually, to double in value?