

Earning Simple Interest

Student Worksheet

Name: _____

Simple Interest Formula:

Earning Interest

1. If you deposit \$100 into an account that earns 2% interest for 1 year
 - a. How much interest will you earn?

 - b. How much money will you have total?

2. Find the amount of time it will take to earn \$10 in simple interest if you deposited \$100 into an account that earns 2% interest.

3. You have \$600 in a savings account and the bank is offering an interest rate of 2.7%.
 - a. Write a simple interest equation that represents this situation and simplify it.

 - b. In your equation, identify the **independent** and **dependent** variables.

 - c. Using this equation, calculate how long you would need to keep your money in the account to earn \$145.80 in interest.

 - d. Calculate how long you would need to keep your money in the account to double your savings.

4. You put \$300 dollars of birthday money into a savings account with an interest rate of 3.2%,

a. how much interest will you earn after:

| Time spent in account (years) | Interest earned |
|-------------------------------|-----------------|
| 1 | |
| 2 | |
| 5 | |
| 10 | |
| 20 | |
| 50 | |

b. In the space below, graph the interest earned. Put time on the x-axis and the interest earned on the y-axis. Be sure to label the graph and axes.

[Before you graph, make sure to identify:

Variable quantity:

Lower Bound:

Upper Bound:

Interval:

]

c. Draw a line to connect the points you have graphed.

d. In a sentence, describe what happens to your savings throughout this time period.

