Name ____ Date ___________

NOW YOU TRY STUDENT WORKSHEET
MIDDLE SCHOOL

ANNUAL INTEREST

1. Andrea wants to invest **$2,000** at her bank. She picks an annual **certificate of deposit (CD)** that will pay her **3%** annually. (Remember, 3% interest is .03 when written as a decimal.)

   A. How much **interest** will Andrea earn for the year?

   B. What will Andrea's **balance** be when the certificate of deposit ends?

2. Now, if Andrea decides to leave her money in the bank for three years:

   A. What is the **term** of Andrea's **CD**?

   B. Fill in the table to find out how Andrea's investment grows:

	Beginning Balance	3% Interest	Ending Balance
Year 1	$ 2,000		
Year 2			
Year 3			

Name____ **Date** ____________

ANNUAL vs. QUARTERLY INTEREST

3. Andrea wants to invest **$2,000** at her bank. She decides to open a **statement savings account**, compounding quarterly, instead of an **annual CD**. This **statement savings account** will pay her a **3% APR**. (Remember, 3% interest is .03 when written as a decimal.)

   A. How often does Andrea's account compound?

   B. What will Andrea's 1st quarter **interest** payment be?

   C. What will Andrea's **balance** be when the year is over?

	Beginning Balance	3% Interest	Ending Balance
1st Quarter	$ 2,000		
2nd Quarter			
3rd Quarter			
4th Quarter			

   D. What **APY** will Andrea's statement savings account earn her for the year?

Name ____ **Date**_________

QUARTERLY vs. MONTHLY INTEREST

4. Andrea wants to invest **$2,000** at her bank. She decides to open a **money market savings account**, compounding monthly, instead of a **statement savings account**. This money market savings account will pay her a **3% APR**. (Remember, 3% interest is .03 when written as a decimal.)

	Beginning Balance	3% Interest	Ending Balance
1st Month	$2,000		
2nd Month			
3rd Month			
4th Month			
5th Month			
6th Month			
7th Month			
8th Month			
9th Month			
10th Month			
11th Month			
12th Month			

A. What **APY** will Andrea's **money market savings account** earn her for the year?