Number - Compound Interest

Q1

Evan invested £50 in a savings account for 4 years at 6% compound interest per year.

He wants to use this formula to work out the amount, in £, in the savings account at the end of the 4 years.

$$\text{Amount} = 50 \times c^d$$

What values should he use for c and d?

.....

.....

$c =$ _____ $d =$ _____ **[3]**

Q2

Jack invests £3000 for 2 years at 4% per annum compound interest.

Work out the value of the investment at the end of 2 years.

£ .....

(Total 3 marks)

Number - Compound Interest

Q1

Evan invested £50 in a savings account for 4 years at 6% compound interest per year.

He wants to use this formula to work out the amount, in £, in the savings account at the end of the 4 years.

$$\text{Amount} = 50 \times c^d$$

50×1.06^4

What values should he use for c and d?

.....

.....

$c =$ 1.06 $d =$ 4 **[3]**

Q2

Jack invests £3000 for 2 years at 4% per annum compound interest.

Work out the value of the investment at the end of 2 years.

£3000 x 1.04^2 = £3244.80

£ 3244.80

(Total 3 marks)