

Compound Interest Worksheet

Name: _____ Class Period _____

1. A newborn child receives a \$20,000 gift toward a college education from her grandparents. How much will the \$20,000 be worth in 17 years if it is invested at 7% and compounded quarterly?
2. If you invest \$10,000 in a bank which one is a better investment:
 - a) 9% compounded monthly?
 - b) 9.3% compounded annually?
3. If an investment company pays 6% compounded semiannually, how much should you deposit now to have \$10,000 5 years from now?
4. If an investment company pays 7% compounded monthly, how much should you deposit now to have \$9,000 7 years from now?
5. At age 27, Jill deposited \$4,000 into an IRA, where it earns 9.8 % interest compounded monthly. What will it be worth when she is thirty-five?
6. What is the value after 8 years of \$5,000 interested at 5% annual interest compounded quarterly?

7. If you earn \$3,500 over 10 years on an investment that pays 5.3% compounded daily, what was the principle amount you started with?

8. A \$175,000 loan compounded monthly at 3.2% for 19 years. How much interest was earned?

9. Your savings account has a balance of \$2513.45. You opened the account 3 years ago. Interest on the account is compounded weekly at an annual interest rate of 4.35%. How much did you invest originally?

10. You deposit \$3500 in an account that pays 5.25 % annual interest. Find how long it will take for the amount to double if the interest is compounded annually.

11. You deposit \$1000 in an account that pays 6% annual interest. Find how long it will take for the amount to double if the interest is compounded quarterly.