

Simple & Compound interest



- i.** A building society offers a saving account earning 2.6% simple interest. If £1200 is saved in the account for 2 years, how much interest would be earned?
- ii.** Jason invests £6,400 in a savings account. He gets 1.25% per annum compound interest.
How much money will Jason have in his saving account at the end of 3 years?
- iii.** Pauline brought a new car for £9000. The value of the car depreciates 18% each year.
What will be the value of the car after 5 years?
- iv.** Viv wants to invest £25 000 for 3 years in a bank.

Personal Bank	Friendly Bank
Compound Interest	Compound Interest
2% for each year	4.3% for the first year, then 0.9% for each extra year

At the end of 3 years, Viv wants to have as much money as possible. Which bank should she invest her £25 000 in?