

FINANCIAL LITERACY – 1. Interest & Investments

Name:

Date:

- Please remember to show/communicate all your work/understanding.
- You **DO NOT** need to answer every question, two correct answers at any level will demonstrate a student's level of attainment.

✓	m	x	s	n
correct	mostly correct	incorrect	silly mistake	no attempt

	mild 🌶️🌶️		medium 🌶️🌶️🌶️		spicy 🌶️🌶️🌶️🌶️	
question	#1	#2	#3	#4	#5	
result						

1. A principal amount of is invested for 15yrs at an APR of 6%. Complete the chart and take a moment to note the change in the final amounts. (use the page to show any calculations/formulas)

principal P	compounded	interest rate/period i	# of periods n	final amount A
\$9200	Annually	6%	15	
	Semi-Annually			
	Quarterly			
	Monthly			
	Weekly			
	Daily			

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5. Calculate the accumulated amounts in each investment after 20yrs.

a) \$450 invested on January 1st, April 1st, July 1st, and October 1st at 5% compounded quarterly.

N =

i% =

PV =

PMT =

FV =

P/Y =

C/Y =

PMT: END BEGIN

b) \$160 invested on the last day of each month at 6% compounded monthly.

N =

i% =

PV =

PMT =

FV =

P/Y =

C/Y =

PMT: END BEGIN

c) If all investments were sold, which would have a better ROI?

d) What are some things that ROI does not account for? What are some things you might consider when looking to invest? (frequency, amount, duration, etc...)