

## Compound Interest Practice Worksheet

**Directions:** Use the formula  $FV = PV (1 + r/m)^{mt}$  where

**FV** represents the total amount (future value),

**PV** represents the principal (present value), **r** represents the interest rate as a decimal,

**m** represents the number of times per year interest is compounded, and

**t** represents the time in years to answer the questions below. **Round amount to the nearest penny. Include the dollar sign \$ before your answer.**

1) Gadiel opens a savings account by depositing \$1200 in an account that earns 3% interest compounded yearly. How much will his investment be worth in 10 years?

2) Determine the final account balance for an investment that Natalia made of \$300 at an interest rate of 6.75% compounded semiannually for 20 years.

3) Jordin deposited \$1500 in an account that pays 4% interest compounded quarterly. What will the balance be in 2 years?

4) The Gonzales have \$12,000 in a savings account. The bank pays 3.5% interest on savings accounts, compounded monthly. Find the total balance after three years.