## DAY 2 – Compound Interest

1. Bill bought a $1500 GIC.  It earns interest at 3.5% compounded annually.  How much will Bill have if the certificate matures in 5 years?

2. Claire invested $2000 at 5% compounded semi-annually for 10 years.  What is the amount of the investment at maturity?

3. Phil invested $600 at 4% compounded monthly for 6.5 years.  How much interest did the investment earn?

4.  Kari bought a $500 GIC that earns 4.5% compounded semi-annually.  How much interest will Kari earn when she cashes her certificate at the end of 3 years?

5.  Bill borrowed some money from a trust company and will repay the loan in 2 years.  The interest rate is 10.5% compounded monthly.  Bill must repay $1170.92 in 2 years.  How much did Bill borrow?

6.  A loan at 14% compounded semi-annually must be repaid with one single payment of $1800.00 in 3 years.  What was the principal borrowed?