



Name \_\_\_\_\_

# Compound Interest

Use the Compound Interest Formula to calculate the compound interest word problems:

NOTE: Interest Compounded Annually

1. \$185.69 is earned on funds invested at a rate of 8% compounded annually over three years. What was the amount of the original investment?
2. Your final balance on an investment of \$450 invested at 7% compounded annually was \$675.33. For what period of time did you invest?
3. What is the interest rate if a principal of \$904 earns \$382.67 in interest compounded annually in nine years?
4. You put \$210 into an investment at 3% compounded annually for two years. What will the balance be at the end of two years?
5. How much interest does a \$966 investment earn at 9% compounded annually over four years?
6. How much interest is earned on \$994 at 7% compounded annually for nine years?
7. You invested \$792 and after three years the total amount of the investment was \$916.84. What was the interest rate if it was compounded annually?
8. The cost of a loan for \$406 over two years is \$50.18 compounded annually. What was the rate on the loan?
9. At what rate was an investment made that obtains \$109.25 in interest compounded annually on \$563 over six years?
10. If you take out a loan that costs \$104.40 over five years at an interest rate of 10% compounded annually, how much was the loan for?



# Compound Interest

Use the Compound Interest Formula to calculate the compound interest word problems:

NOTE: Interest Compounded Annually

1. \$185.69 is earned on funds invested at a rate of 8% compounded annually over three years. What was the amount of the original investment?

\$715

2. Your final balance on an investment of \$450 invested at 7% compounded annually was \$675.33. For what period of time did you invest?

six years

3. What is the interest rate if a principal of \$904 earns \$382.67 in interest compounded annually in nine years?

4%

4. You put \$210 into an investment at 3% compounded annually for two years. What will the balance be at the end of two years?

\$222.79

5. How much interest does a \$966 investment earn at 9% compounded annually over four years?

\$397.59

6. How much interest is earned on \$994 at 7% compounded annually for nine years?

\$833.43

7. You invested \$792 and after three years the total amount of the investment was \$916.84. What was the interest rate if it was compounded annually?

5%

8. The cost of a loan for \$406 over two years is \$50.18 compounded annually. What was the rate on the loan?

6%

9. At what rate was an investment made that obtains \$109.25 in interest compounded annually on \$563 over six years?

3%

10. If you take out a loan that costs \$104.40 over five years at an interest rate of 10% compounded annually, how much was the loan for?

\$171