



Name _____

Compound Interest

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

1. How much interest is earned on \$4,490 at 5% compounded monthly for four years?
2. How long must \$4,247 be invested at a rate of 8% compounded monthly to earn \$352.50 in interest?
3. If you borrow \$4,480 for two years at an interest rate of 7% compounded monthly, how much interest will you pay?
4. If a loan is taken out for \$8,974 at 10% compounded monthly and costs \$4,391.46, how long was the loan for?
5. If you put \$7,092 into a savings account that earns 3% compounded monthly, how much interest will you receive at the end of three years?
6. If you put \$6,050 in a savings account that pays 8% compounded monthly for three years what is the amount of money you will have at the end of the three years?
7. If a loan is taken out for \$2,377 at 5% compounded monthly and costs \$1,166.12, how long was the loan for?
8. What was the interest rate if your balance on an investment of \$937 at the end of six years is \$1,604.66 and the interest was compounded monthly?
9. If an investment over three years at a rate of 3% compounded monthly results in a final balance of \$7,203.23, what was the original investment?
10. You invested \$3,384 and after four years the total amount of the investment was \$4,655.25. What was the interest rate if it was compounded monthly?



Name _____

Compound Interest

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

NOTE: Interest Compounded Monthly

1. How much interest is earned on \$4,490 at 5% compounded monthly for four years?
\$991.82
2. How long must \$4,247 be invested at a rate of 8% compounded monthly to earn \$352.50 in interest?
one year
3. If you borrow \$4,480 for two years at an interest rate of 7% compounded monthly, how much interest will you pay?
\$671.13
4. If a loan is taken out for \$8,974 at 10% compounded monthly and costs \$4,391.46, how long was the loan for?
four years
5. If you put \$7,092 into a savings account that earns 3% compounded monthly, how much interest will you receive at the end of three years?
\$667.01
6. If you put \$6,050 in a savings account that pays 8% compounded monthly for three years what is the amount of money you will have at the end of the three years?
\$7,684.93
7. If a loan is taken out for \$2,377 at 5% compounded monthly and costs \$1,166.12, how long was the loan for?
eight years
8. What was the interest rate if your balance on an investment of \$937 at the end of six years is \$1,604.66 and the interest was compounded monthly?
9%
9. If an investment over three years at a rate of 3% compounded monthly results in a final balance of \$7,203.23, what was the original investment?
\$6,584
10. You invested \$3,384 and after four years the total amount of the investment was \$4,655.25. What was the interest rate if it was compounded monthly?
8%