

START SMART

WORKSHEET

COMPOUND INTEREST

Vivienne and Mark

Read Vivienne and Mark's scenarios and enter the correct figures into the calculator to answer the questions below.

Vivienne

Vivienne is 20 years old. She decides to open a bank account and save some money. She has \$1,000 saved up so far and she decides she can save a regular amount of \$10 a week. She shops around and finds that a bank is offering an interest rate of 5%. Vivienne decides she will keep saving like this until she is 65, for 45 years.

1. At the age of 65 how much will Vivienne have in her bank account?	\$
2. How much interest will she have earned?	\$

START SMART

WORKSHEET

COMPOUND INTEREST

Vivienne and Mark

Read Vivienne and Mark's scenarios and enter the correct figures into the calculator to answer the questions below.

Mark	
<p>Mark is 30 years old and he meets Vivienne and thinks her savings plan is a good one. He has not managed to save much over the last 10 years because he has enjoyed seeing the world. He decides to deposit \$1,000 in a bank account with the same interest rate as Vivienne's account. He also decides to save \$10 a week until he is 65, for 35 years.</p>	
1. At the age of 65 how much money will Mark have in his bank account?	\$
2. How much interest will he have earned?	\$
3. If Mark wanted to end up with the same amount as Vivienne when he was 65, what changes would you recommend he make to his savings scheme?	