**Activity Simple and Compound Interest**

1. Suzanne invests $450 for 5 years at a rate of 3.5% per year **simple interest.** How much money will she have after those 5 years?
2. Robert invests $1200 for 2.5 years at a rate of 2% per month **simple interest.** How much interest will Robert receive?
3. Willem invests $240 for 3 years. At the end of the three years he has $283.20 on his bank-account. What is the rate per year of **simple interest** which Willem’s bank pays him?
4. Douwe invests $800 for 3 years at a rate of 4% per year **compound interest.** How much interest will Douwe receive?
5. A man borrows $75,000 to buy a car. He borrows it at 12% per year **compound interest**. After four year he pays the entire sum back to the bank. How much will he have to pay?
6. A) Joanne invests $120 for 6 years at a rate of 3% per year **simple interest**. Calculate the amount of interest Joanne will receive.

B) Marie invests $120 for 6 years at a rate of 3% per year **compound interest**. Calculate how much more money Marie will have on her bank-account compared to Joanne.

**Answers**

1. $528.75
2. $720
3. 6%
4. $99.89
5. $118,013.95
6. A) $21.60

B) $1.69