Math 7 **Unit – Percents**

Lesson 2 – Video Notes Guide

Computing Simple Interest

By the end of this lesson you will be able to _____.

What is interest? _____.

1) If you are the owner of a savings account how do you acquire interest?

2) If you need to borrow money from a bank, why do you get charged interest?

Simple Interest Formula

_____ = _____ × _____ × _____

What is *principal*? _____

What is the *rate*? _____

How does *time* factor into the problem? _____

Example 1 – You have deposited $1200 into three investments at three different banks. How much money will each investment earn at the end of each term?

Fill in the table with the information from the video.

Bank	Rate	Time

1) _____

2) _____

3) _____

Example 2 – Use the formula to determine the missing value.

Problem #1 Interest = _____

Principal = _____

Rate = _____

Time = _____

Problem #2 Interest = _____

Principal = _____

Rate = _____

Time = _____

Example 3 – Sammy wants to deposit _____ into a savings account that is paying _____ interest. How long will he need to keep the money in the bank to have at least _____.

Formula:

Interest = _____

Interest = _____

Principal = _____

Rate = _____

Time = _____

Your Turn to Practice: [fill in the blanks with the information from the video]

1) You have earned _____ in interest on a _____ investment over the past _____ years. What rate has the bank offered you?

2) You have borrowed _____ to buy your first car. The bank is offering an interest rate of _____ for _____ years. How much interest will the bank earn off your loan?

3) You have earned _____ in interest over the past _____ years on your savings account that pays _____. How much money did the account start with?

4) You deposited _____ in a savings account that paid _____ interest. You have earned _____ in interest. How long have you had the account?