

## STEP 1: BILLS & BANK STATEMENTS

Complete the bank statement:

| Date | Description | Credit | Debit | Balance |
|------|-------------|--------|-------|---------|
| 3/2  | Phone       |        | 45    | 90.25   |
| 4/2  | Wages       | 1700   |       | 1790.25 |
| 6/2  | Food        |        | 25    | 1765.25 |
| 7/2  | Deposit     | 50     |       | 1815.25 |

## STEP 2: SIMPLE INTEREST

An account pays 4% simple interest per year. If the account is open for 3 years, how much interest is paid on £2500.

$$2500 \times 0.04 = 100$$

$$100 \times 3 = 300$$

## STEP 3: COMPOUND INTEREST

Bank A

3% compound interest  
2% bonus if open for  
5 years

Bank B

4% compound  
interest

If you invest \$4000 for 5 years, which bank pays the most interest?

A

$$4000 \times 1.03^5 = 4637.10$$

$$4637.10 \times 1.02 =$$

$$4729.84$$

B

$$4000 \times 1.04^5 =$$

$$4866.61$$

## STEP 4: SALES TAX

Sales tax is 7% in New York

Calculate the cost of these products with tax.

1) TV = \$700

$$700 \times 1.07 = 749$$

2) Headphones = \$65

$$65 \times 1.07 = 69.55$$