Simple & Compound Interest Vocabulary Match Game

Simple interest	$I = Prt$
Compound interest	$A = P(1 + r)^t$

STANDARD: TEKS 8.12(D): Calculate and compare simple and compound interest earnings.

PLAYERS: 2-4, **BEST PLAYED WITH PARTNERS**

MATERIALS:
1 set of match cards
Answer Key
Recording Sheet
Passport

DIRECTIONS:

1. Determine if your group is going to play with partners or by themselves.
2. Turn one set of cards face down in the middle of the players who are using that set.
3. Turn over 2 cards at a time, trying to match the cards.
4. If a match is made, the players keep the matched cards.
5. **LEAVE UNMATCHED CARDS FACE UP SO OTHERS MAY MATCH WITH THEM.**
6. Play continues with another player/pair when no match is made.
7. The player/pair with the most cards wins the game.

CHALLENGE: Time how long it takes you to match ALL cards, then try to beat that time.

RTABORTATION

Number of years for which the amount is borrowed or deposited	$A = P(1+r)^{t}$
Rate of interest on amount borrowed or deposited	$A = P(1+r)^{t}$
Principal amount borrowed or deposited	$A = P(1+r)^{t}$
Total amount accrued	$A = P(1+r)^{t}$
$A = P(1+r)^{t}$	$A =$

...you must subtract the principal from it.	To determine the interest earned...
Number of years for which the amount is borrowed or deposited	$I = Prt$
Rate of interest on amount borrowed or deposited	$I = Prt$
Principal amount borrowed or deposited	$I = Prt$
$I = Prt$	$I =$

Interest you earn on interest	compound interest
Interest based only on the principal amount	simple interest
The cost of borrowing money	INTEREST on a loan
Amount paid by a financial institution to keep your money deposited with them	INTEREST from a savings account
The original amount borrowed or deposited	principal

The length of time it takes to pay off a loan	TIME PERIOD on a loan
When the rate of interest is added to the account	TIME PERIOD on a savings account
Percentage you pay on the amount you borrowed	RATE on a loan
Percentage paid by a financial institution on your savings account	RATE from a savings account
$I = Prt$	$I =$

Name

Simple & Compound Interest Vocabulary Game

In the problem below, which formula from the STAAR REFERENCE MATERIALS will you use to find the answer? Why? Write your response in complete sentences, then use the formula to solve the problem. Show your work, please.

A student's parents invested $5,000 in a college savings account that pays 4.85% annual simple interest. No additional deposits or withdrawals will be made.

Which amount is closest to the interest earned on the account at the end of 15 years?

A $5,174.11

B $10,174.11

C $3,637.50

D $8,637.50

Circle the correct solution. Show your work next to the problem. Explain why the other answer choices could not be correct.

Monica wants to open a savings account with a deposit of $3,000. Monica will not make any additional deposits or withdrawals after she opens the account. Her bank offers two different savings accounts.

- Account X pays 2.1% simple annual interest.
- Account Y pays 2.4% interest compounded annually.

Which statement about these accounts at the end of 5 years is true?

F Account X would earn Monica about $62.70 more interest than Account Y.

G Account Y would earn Monica about $62.70 more interest than Account X.

H Account X would earn Monica about $45.00 more interest than Account Y.

J Account Y would earn Monica about $45.00 more interest than Account X.

Name:_____ Simple & Compound Interest Vocabulary Game, RECORDING SHEET

Select 4 of the terms you matched. Create a different icon to help someone remember the term.

What are the two most important math concepts to remember from this game? Why?