

# 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.

Number of years for which the amount is borrowed or deposited

$$A = P(1+r)^{\textcircled{t}}$$

Rate of interest on amount borrowed or deposited

$$A = P(1+\textcircled{r})^t$$

Principal amount borrowed or deposited

$$A = \textcircled{P}(1+r)^t$$

Total amount accrued

$$\textcircled{A} = P(1+r)^t$$

$$A = P(1+r)^t$$

$$A =$$

...you must subtract the principal from it.

To determine the interest earned...

Number of years for which the amount is borrowed or deposited

$$I = Pr\textcircled{t}$$

Rate of interest on amount borrowed or deposited

$$I = P\textcircled{r}t$$

Principal amount borrowed or deposited

$$I = \textcircled{P}rt$$

$$I = Prt$$

$$I =$$



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

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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.

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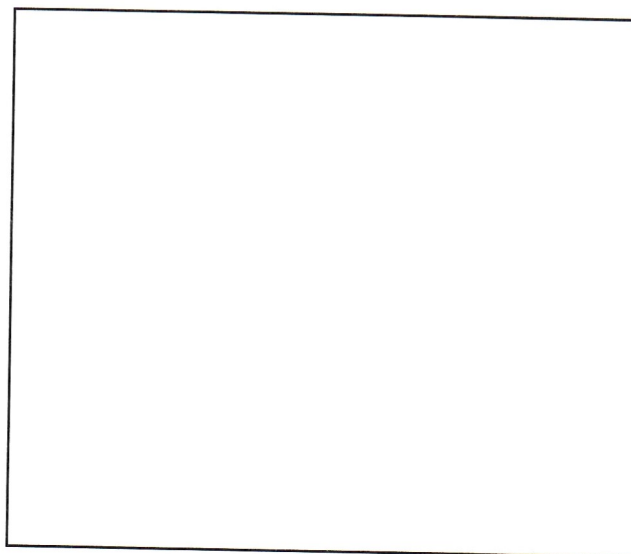
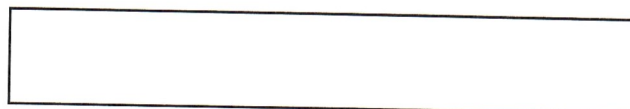
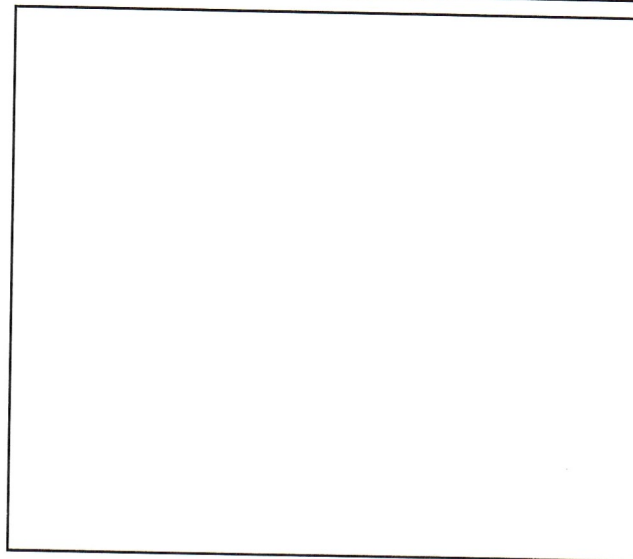
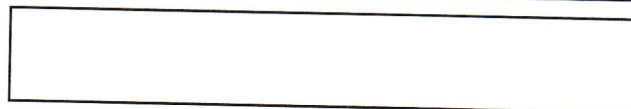
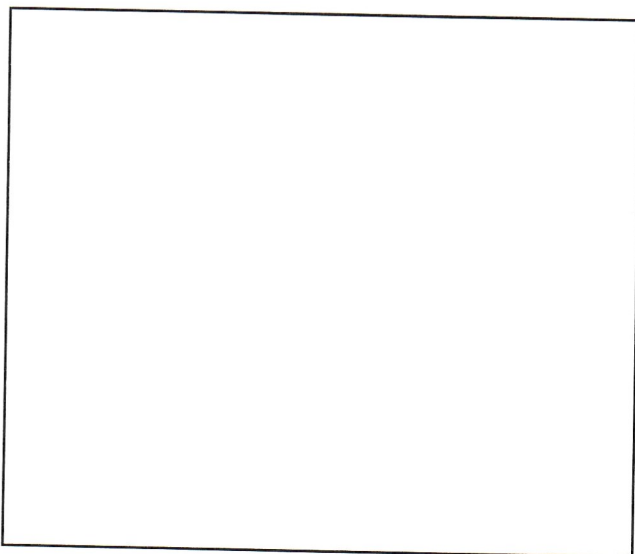
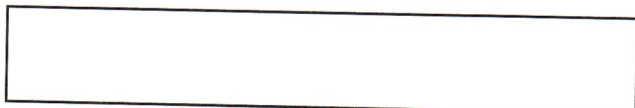
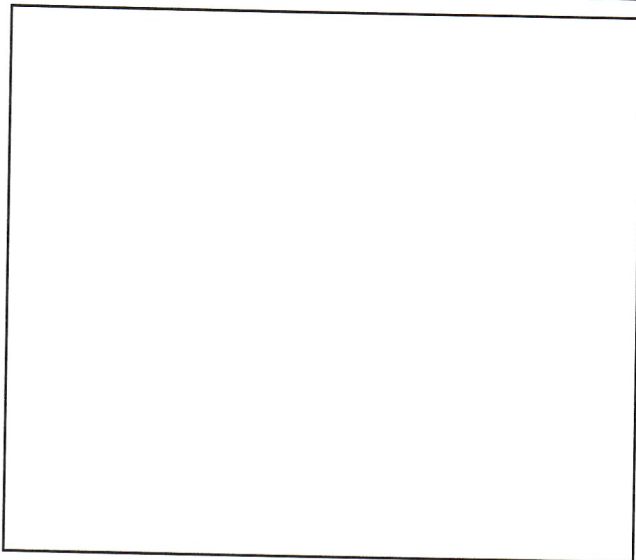
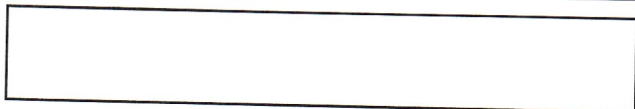
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Name: \_\_\_\_\_ Simple & Compound Interest Vocabulary Game, **RECORDING SHEET**

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?