

Name _____

7-1A Lesson Master

Questions on SPUR Objectives

See pages 452–455 for objectives.*

VOCABULARY

1. The calculations below show the amount of money in a bank account.

Deposit		= \$500.00
End of First Year	\$500(1.06)	= \$530.00
End of Second Year	\$500(1.06)(1.06)	= \$561.80

- a. What is the annual yield? _____
- b. What is the principal? _____
- c. What is the interest paid during the two-year period? _____

USES Objective D

- 2. a. Write an expression that could be used to find the amount in an account if \$2,500 is invested at 5.6% annual yield for 15 years. _____
- b. Write an expression that could be used to find the amount in an account if P dollars is invested at 5.6% annual yield for t years. _____
- 3. A bank uses the spreadsheet below to show the amount in a savings account earning 7% interest. The principal invested is \$600.

	A	B	C
1	Year	Balance	Annual Interest
2	0	600.00	
3	1	642.00	42.00
4	2	686.94	44.94
5	3	735.03	48.09
6	4		

- a. *Multiple Choice.* Which expression does the bank use to calculate the balance in the savings account? _____
 A $600(0.7)^t$ B $600(1.7)^t$ C $600(1.07)^t$ D $600(0.07)^t$
- b. What number should appear in cell B6? _____
- c. What number should appear in cell C6? _____
- d. What trend do you notice in the Annual Interest column? _____

*Refer to the Student Edition for SPUR Objectives.