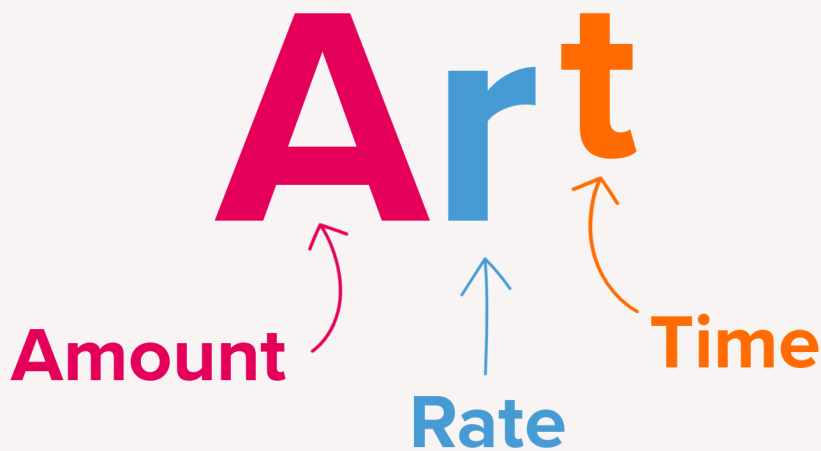


Compound Interest



The interest rate must be converted to a decimal multiplier.

$$\frac{\text{Interest rate} + 100}{100} = \text{decimal multiplier}$$

For example, an interest rate of 5% is a decimal multiplier of 1.05.

John deposits £200 in a bank account with an interest rate of 3%. How much money will he have at the end of 2 years?

$$200 \times 1.03^2 = 212.18$$



CENTURY