

Compound Interest - Word Problems

- 1) Mr. Kent deposited \$900 in his savings account, and the interest was compounded quarterly. If the balance in the account was \$1,100 at the end of three years, what was the interest rate rounded to the nearest tenth of a percent?

- 2) Charles tucks some money away in a high-interest savings account. The interest rate is 5%, compounded monthly. If Charles receives \$15,600 after eight years, what was the initial amount? Round your answer to the nearest dollar.

- 3) Nina receives an inheritance of \$10,000. She invests the money in corporate bonds that earn 6% interest, compounded quarterly. How long will it take for the investment to reach \$20,000? Round your answer to the nearest year.

- 4) Dorothy takes a loan of \$100,000 at an interest rate of 8%, compounded semi-annually. How much does she have to pay back \$125,000 after 5 years? Round your answer to the nearest tenth of a percent.

- 5) Luke invested some money into a fund that would earn 9% in interest compounded annually. How much was the initial investment if Luke received \$7,653 at the end of 6 years? Round your answer to the nearest dollar.

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