Name _____ Date _____ Class _____

Skill: Compound Interest

Investigation 3

Growing, Growing, Growing

For Exercises 1–2, complete each table. Compound the interest annually.

1. $5,000 at 6% for 4 years.

Principal at Beginning of Year	Interest	Balance
Year 1: $5,000		
Year 2:		
Year 3:		
Year 4:		

2. $7,200 at 3% for 4 years

Principal at Beginning of Year	Interest	Balance
Year 1: $7,200		
Year 2:		
Year 3:		
Year 4:		

3. Suppose one of your ancestors invested $500 in 1800 in an account paying 4% interest compounded annually. Write an exponential function to model the situation. Find the account balance in each of the following years.

a. 1850

b. 1900

c. 2000

d. 2100