

Subject 03

STATISTICS

Please do not write on this exam paper and give it back at the end of the test

COMPOUND INTEREST

- 1.** When John started working, he was given a starting wage of £50 a week and was told it would increase by 4% every six months. How much will he make every week in 5 years?
- 2.** A man invests £200 in a savings account at an annual interest rate of 7%. He makes no other deposit nor withdrawal. Interest is capitalized yearly and then it generates extra interest (ie: compound interest).
 - a.** How much money will the man have on his account at the end of the second year?
 - b.** After how many complete years will he have more than £500 on his account?

Vocabulary:

Compound interest: intérêt composé

Deposit: dépôt

Withdrawal: retrait