

Spreadsheet Lab

Compound Interest

You can use a spreadsheet to organize and display data. A spreadsheet is an easy way to track the amount of interest earned over a period of time.

Compound interest is earned not only on the original amount, but also on any interest that has been added to the principal.

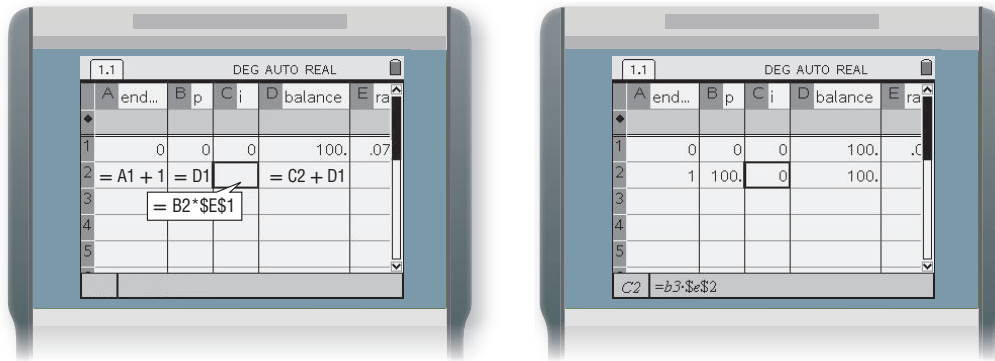
ACTIVITY

Find the total amount of money after 5 years if you deposit \$100 at 7% compounded annually.

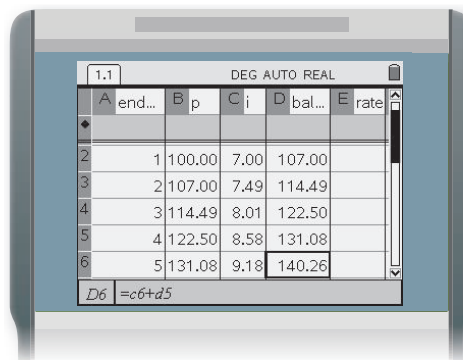
Step 1 Starting on a new Lists and Spreadsheet page, label your columns as shown. The period is one year. Enter the starting values and the rate.

KEYSTROKES: 6: New Document 3: Lists & Spreadsheet

Step 2 Each row will be generated using formulas. Enter the formulas as shown. Find the \$ on the list.



Step 3 Use the Fill Down function on the Data menu to fill 4 additional rows.



If you deposit \$100 at 7% annual interest for 5 years, you will have \$140.26 at the end of the 5 years.

Exercises

Find the total balance for each situation.

- deposit \$500 for 7 years at 5%
- deposit \$1000 for 5 years at 6%
- deposit \$200 for 2 years at 10%
- deposit \$800 for 3 years at 8%
- borrow \$10,000 for 5 years at 5.05%
- borrow \$25,000 for 30 years at 8%