

# Earning Interest

## Making the most of your Money



### Free Standing Mathematics Unit Managing Money



You have been left £1000 by a wealthy relative and have decided to invest it wisely so that in three years time you will be able to go off travelling.

Investigate various forms of saving and the different amounts of interest these will produce.

Use the web site [www.moneyfacts.co.uk](http://www.moneyfacts.co.uk) to find details of the interest rates on a variety of savings accounts.

Your work must contain the following:

- Print outs of the details of any of the accounts you are interested in.
- Choose three different types of accounts and explain why you have chosen them.
- For each account calculate the amount of interest earned by your £1000 after one year.
- For each account calculate the amount of interest earned after three years, assuming you leave the account untouched (compound interest).
- Show all your calculations in full and check them.
- Put your results in a suitable table. (You may use a spreadsheet if you wish.)
- Explain why the amount of interest earned over three years is greater than three times the amount earned over one year.
- Produce a front cover showing the title, date and your name.

