

Compound Interest Worksheet

Problem Solving Exercises

1. Calculate the compound interest earned on £1,200 invested for 3 years at an annual interest rate of 5%, compounded yearly.
2. If £800 is invested at an annual rate of 6% compounded annually, what will be the total amount after 4 years?
3. A sum of £2,000 is invested at 4% per annum compounded annually. How much interest is earned in 5 years?
4. How long will it take for £1,500 to grow to £1,950 at a compound interest rate of 5% per annum, compounded annually?
5. £2,500 is deposited in a bank offering 3% compound interest per annum. What will be the amount after 6 years?
6. Find the compound interest on £3,000 for 2 years at 7% per annum, compounded annually.
7. A principal of £900 grows to £1,134.49 in 5 years. What is the annual compound interest rate?
8. If £1,000 is invested at 8% per annum compounded annually, how much will it amount to in 3 years?
9. How much should be invested today to have £2,500 in 4 years at 6% compound interest per annum?
10. Calculate the difference between the simple interest and compound interest on £1,600 for 2 years at 5% per annum.
11. £2,200 is invested at 4.5% per annum, compounded annually. What will be the compound interest earned after 3 years?
12. If the compound interest on a sum for 2 years at 10% per annum is £210, find the principal.

Maths with Melissa

Answer Key

1. **£189.15**
2. **£1,010.58**
3. **£433.29**
4. **5 years**
5. **£2,987.04**
6. **£433.59**
7. **4.7% per annum**
8. **£1,259.71**
9. **£1,980.44**
10. **£4** (Compound Interest: £163.00, Simple Interest: £160.00)
11. **£311.92**
12. **£950**