

Answer Key A Penny Saved

Vocabulary Match

Answer Key:

1–b, 2–c, 3–a, 4–d, 5–e, 6–f, 7–g

Savings Scenarios

$$1. 800 \times 0.04 \times 5 = \$160 \text{ ® Total} = \$960$$

$$2. 1200(1 + 0.05)^3 = \$1,389.15$$

$$3. 72 \div 6 = 12 \text{ years}$$

$$4. \$1,000 \text{ grows to } \$1,343.92$$

Final Assessment

Answer Key:

1. Interest earned on both the original money and the accumulated interest.

$$2. 2000 \times 0.05 \times 4 = \$400$$

$$3. 72 \div 8 = 9 \text{ years}$$

4. Because you earn interest on your interest, so money grows faster.

5. Answers vary (examples: emergencies, retirement, education, travel).