

## Calculating Interest

### Simple Interest vs. Compound Interest

Microsoft Excel is a spreadsheet that can be used to solve many problems in Mathematics. Excel can also be used to create graphs using the data sheets that you have created.

In this assignment, you will need to explore Excel and tools build in Excel to calculate interest over time. You have to make use of excel in **making a spreadsheet** with the **correct formulas** and **graphs** them.

#### Exploration 1:

Jamal opens a savings account with RM 2,000.00 as the principal amount. If the bank calculates simple interest at 3.5% interest rate, how much money will Jamal have after 5 years, 10 years, and 20 years?

#### Exploration 2:

Jamal opens a savings account with RM 2,000.00 as the principal amount. If the bank calculates compound interest once a year at 3.5% interest rate, how much money will John have after 5 years, 10 years, and 20 years?

#### Exploration 3:

Now use the same formula in Exploration 2 and calculate interest that is compounded quarterly.