



Mr Johnson deposits \$10 000 into a bank that pays an interest of 5% per year.

How much money will he get at the end of 3 years?

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ANSWER TO

PERCENTAGE

$$5\% \text{ of } \$10\,000 = \frac{5}{100} \times \$10\,000 = \$500$$

$$\text{End of Year 1: } \$10\,000 + \$500 = \$10\,500$$

$$5\% \text{ of } \$10\,500 = \frac{5}{100} \times \$10\,500 = \$525$$

$$\text{End of Year 2: } \$10\,500 + \$525 = \$11\,025$$

$$5\% \text{ of } \$11\,025 = \frac{5}{100} \times \$11\,025 = \$551.25$$

$$\text{End of Year 3: } \$11\,025 + \$551.25 = \$11\,576.25$$

He will get \$11 576.25 at the end of 3 years.

