

Performance Task: 8.12D
Economic and Financial Thinking: Birthday Money Investments

Sam and Pat are twin brothers. For their twelfth birthday, they each received \$1,000 from their grandparents. Both brothers opened savings accounts to earn interest on their money.

- Sam put his money in an account that pays 3% simple interest.
- Pat put his money in an account that pays 3% interest compounded annually.

If both boys open their accounts at the same time and leave the money untouched in their accounts for 10 years, how much will more will one brother have earned in interest than the other? Justify your reasoning.

	0	1	2
Procedural	0	1	2
Conceptual	0	1	2
Communication	0	1	2

Total points: _____



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Economic and Financial Thinking: Birthday Money Investments

Sam and Pat are twin brothers. For their twelfth birthday, they each received \$1,000 from their grandparents. Both brothers opened savings accounts to earn interest on their money.

Sam put his money in an account that pays 3% simple interest. At the end of 10 years if Sam does not make additional deposits or withdrawals he will have earned \$300 in interest.

Pat put his money in an account that pays 3% interest compounded annually.

If Pat opened his account at the same time and also left the money untouched, how much will Pat earn in interest? Justify your reasoning.

	0	1	2
Procedural	0	1	2
Conceptual	0	1	2
Communication	0	1	2

Total points: _____



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- Sam put his money in an account that pays 3% simple interest.
- Pat put his money in an account that pays 3% interest compounded annually.

If both boys open their accounts at the same time and leave the money untouched in their accounts for 10 years, how much will each brother have in their accounts? How much more interest will one brother earn over the other? What would the interest difference be in the accounts after 20 years of leaving the money? Justify your reasoning.

Procedural	0	1	2
Conceptual	0	1	2
Communication	0	1	2

Total points: _____



