Name: _____

Date: _____

Melanie has a balance of $53 in her bank account.

1. She earned 2% interest on her balance.
   What is her new account balance?
Do the math:

➤ Answer: Melanie's balance is $ _____.

2. If Melanie's balance had been $245, how much interest would she have earned?
Do the math:

➤ Answer: She would have earned $ _____ in interest.

3. **Justin borrows $1,000 from his father,** who charges him 3% interest every month on the remaining balance. For example, the first month he would pay his father $130, or $100 plus 3% of $1,000.
   a. Calculate the total amount of interest paid.
   b. Calculate the total amount of the loan.
   c. How many months will it take Justin to pay off the loan?

Month	Amount paid	Loan interest	Loan balance
0	$0	$0	$1,000
1	$100	$30	$900
2	$100	$27	$800
	$100		
	$100		
	$100		
	$100		
	$100		
	$100		
	$100		
	$100		
Total		➤	➤

Melanie has a balance of $53 in her bank account.

1. She earned 2% interest on her balance.
    What is her new account balance?

Do the math:

$53 X 2% = $1.06
$53 + $1.06 = $54.06

Answer: Melanie's balance is $54.06.

2. If Melanie's balance had been $245, how much interest would she have earned?

Do the math:

$245 X 2% = $4.90

Answer: She would have earned $4.90 in interest.

3. **Justin borrows $1,000 from his father,** who charges him 3% interest every month on the remaining balance. For example, the first month he would pay his father $130, or $100 plus 3% of $1,000.
    a. Calculate the total amount of interest paid.
    b. Calculate the total amount of the loan.
    c. How many months will it take Justin to pay off the loan?

Month	Amount paid	Loan interest	Loan balance
0	$0	$0	$1,000
1	$100	$30	$900
2	$100	$27	$800
3	$100	$24	$700
4	$100	$21	$600
5	$100	$18	$500
6	$100	$15	$400
7	$100	$12	$300
8	$100	$9	$200
9	$100	$6	$100
10	$100	$3	$0
			$0
Total	**$1,000**	**$165**	