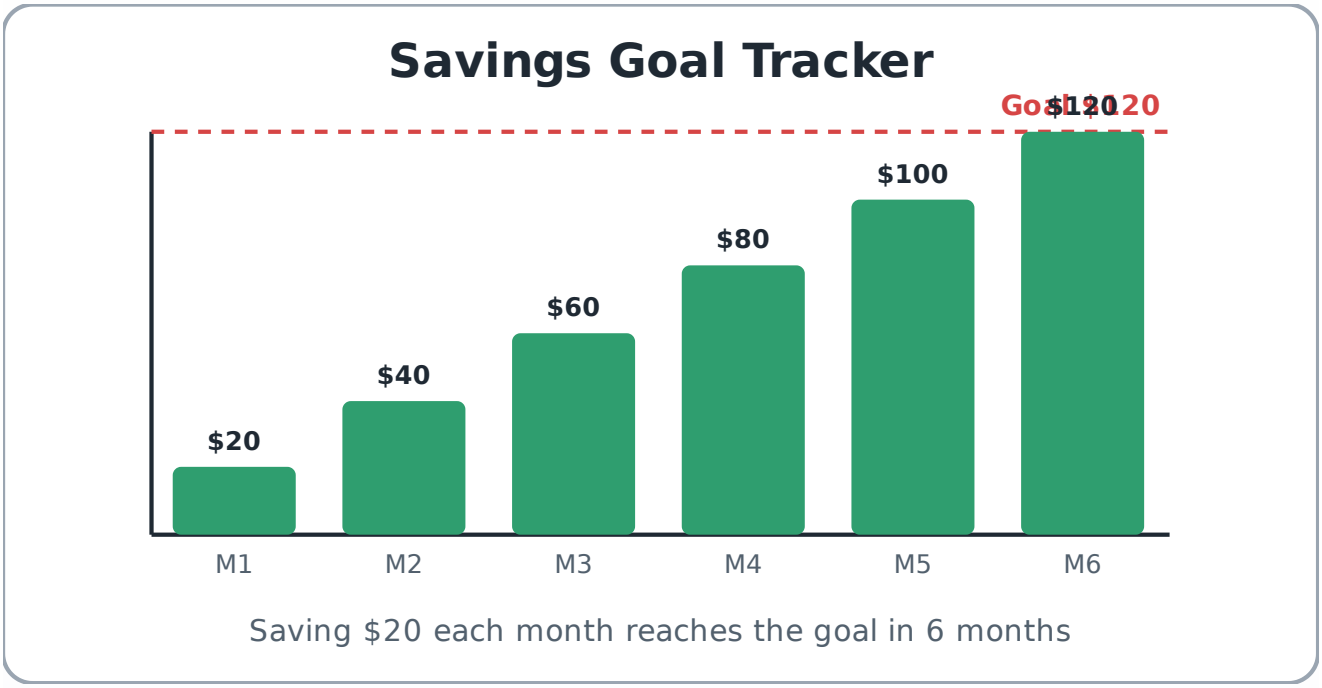
Financial Mathematics — Savings Plan Worksheet

Part A — Savings goals, expenses & interest

Saving towards a goal means planning how much to put aside and predicting expenses along the way. Money saved with a bank also earns **interest** — the bank pays you a little extra for keeping your money there.



Reading a savings plan from a bar chart.

> **Worked example.** Saving $20 each month, after 4 months you have $4 \times \$20 = \$80$. To reach a $120 goal you need $\$120 \div \$20 = 6$ months.

Reading the savings tracker

Q1. From the graph, how much is saved after month 3? After month 5? _____

Q2. How much is added each month? Write the rule linking month number to total saved.

Q3. In which month is the $120 goal reached? _____

Plan a savings goal

Q4. Ravi wants a $90 scooter and can save $15 a week. (a) How many weeks until he reaches $90? (b) Describe his savings bar after 4 weeks.

Q5. Tara saves $8 each week for 6 weeks but spends $10 in week 4. How much does she have after 6 weeks?

Predict expenses

Q6. A school camp costs: bus $25, food $40, activities $30. Estimate the total, then find the exact cost. How much should each of 4 friends contribute if shared equally?

Interest (the idea)

Q7. Explain in one sentence why money left in a bank savings account can grow even if you add nothing to it.

Q8. $100 in an account earns $3 interest in a year. How much is in the account after one year? _____