

Tab 3, Handout 5
Student Response Example

Mr. Adler invested a total of \$12,000 in two bank accounts, Account L and Account M. The simple interest rate on Account L was 6% per year.

THINK
SOLVE
EXPLAIN

Part A Mr. Adler invested \$4000 in Account L. How much interest did he earn from that account after 1 year? Show work or write an explanation to support your answer.

$$L = 4,000(.06) = 240$$

Amount of Interest Earned After 1 Year \$ 240.00

Part B The remainder of Mr. Adler's \$12,000 was invested in Account M. After 1 year, the combined total of principal and interest in both of his accounts was \$12,920. What was the simple interest rate of Account M? Show work or write an explanation to support your answer.

$$M = 8000$$

$$x \frac{8000}{8000} = \frac{680}{8000}$$

$$x = .085\%$$

$$\begin{array}{r} 920 \\ - 240 \\ \hline 680 \end{array}$$

Interest Rate of Account M .085%