

If you save \$1,000 at 7% Simple Interest

Interest earned in Year 1 = $1000 \times 0.07 = \$70$

Interest earned in year 2 = $1000 \times 0.07 = \$70$

By the end of Year 3 you have $= \$1,000 + 70 + 70 + 70 = \$1,210$

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