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

Interest earned in Year  $1 = 10000 \times 0.07 = $70$ 

Interest earned in year  $2 = 10000 \times 0.07 = $70$ 

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

Interest earned in year  $3 = 10000 \times 0.07 = $70$ 

## If you save a \$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 = $70$ Interest earned in year 3 =  $1000 \times 0.07 = $70$ 

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

