

- 19 Here are the interest rates for two accounts.

Account A
Interest: 3% per year compound interest.
No withdrawals until the end of three years.

Account B
Interest: 4% for the first year, 3% for the second year and 2% for the third year.
Withdrawals allowed at any time.

Derrick has £10 000 he wants to invest.

- (a) Calculate which account would give him most money if he invests his money for 3 years. Give the difference in the interest to the nearest penny. You must show your working.

(a) Account byp [5]

- (b) Explain why he might **not** want to use Account A.

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