



Task Title: Interest  
**OALCF Cover Sheet – Learner Copy**

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**Learner Name:** \_\_\_\_\_

**Date Started (m/d/yyyy):** \_\_\_\_\_

**Date Completed (m/d/yyyy):** \_\_\_\_\_

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**Task Description:** Read online article on interest and demonstrate comprehension.

**Competency:** A: Find and Use Information  
C: Understand and Use Numbers  
D: Use Digital Technology

**Task Groups:** A1: Read continuous text  
C1: Manage Money  
D: Use Digital Technology

**Level Indicators:**

- A1.1: Read brief texts to locate specific details
- A1.2: Read texts to locate and connect ideas and information
- C1.2: Make low level inferences to calculate costs and expenses that may include rates such as taxes and discounts
- D1: Perform simple digital tasks according to a set procedure

**Materials Required:**

- Pencil, eraser and calculator (decision of instructor)
- Computer with internet access

## Learner Information

Almost all loans and credit charge interest. There are different types of interest. Look at [http://www.moneyhabits.com/types\\_of\\_interest.htm](http://www.moneyhabits.com/types_of_interest.htm) (link last reviewed 07/05/21).

## Work Sheet

### **Task 1: What is the definition of interest?**

Answer:

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### **Task 2: In a fixed interest rate loan of \$1000 with an interest of 5% per year, how much in total would a borrower need to pay back in 1 year?**

Answer:

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### **Task 3: What is the attraction to a variable rate interest loan?**

Answer:

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### **Task 4: What happens in a variable interest rate loan if the market interest rates rise?**

Answer:

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Task Title: Interest\_I\_A1.1\_A1.2\_C1.2\_D1

**Task 5: What is the definition of Compound Interest?**

Answer:

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**Task 6: In the Example of Simple vs Compound Interest calculate the difference between the two types of interest.**

Answer:

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**Task 7: A customer takes out a compound interest loan for \$2750 for 2 years at 10%. Calculate the interest the customer will pay.**

Answer:

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