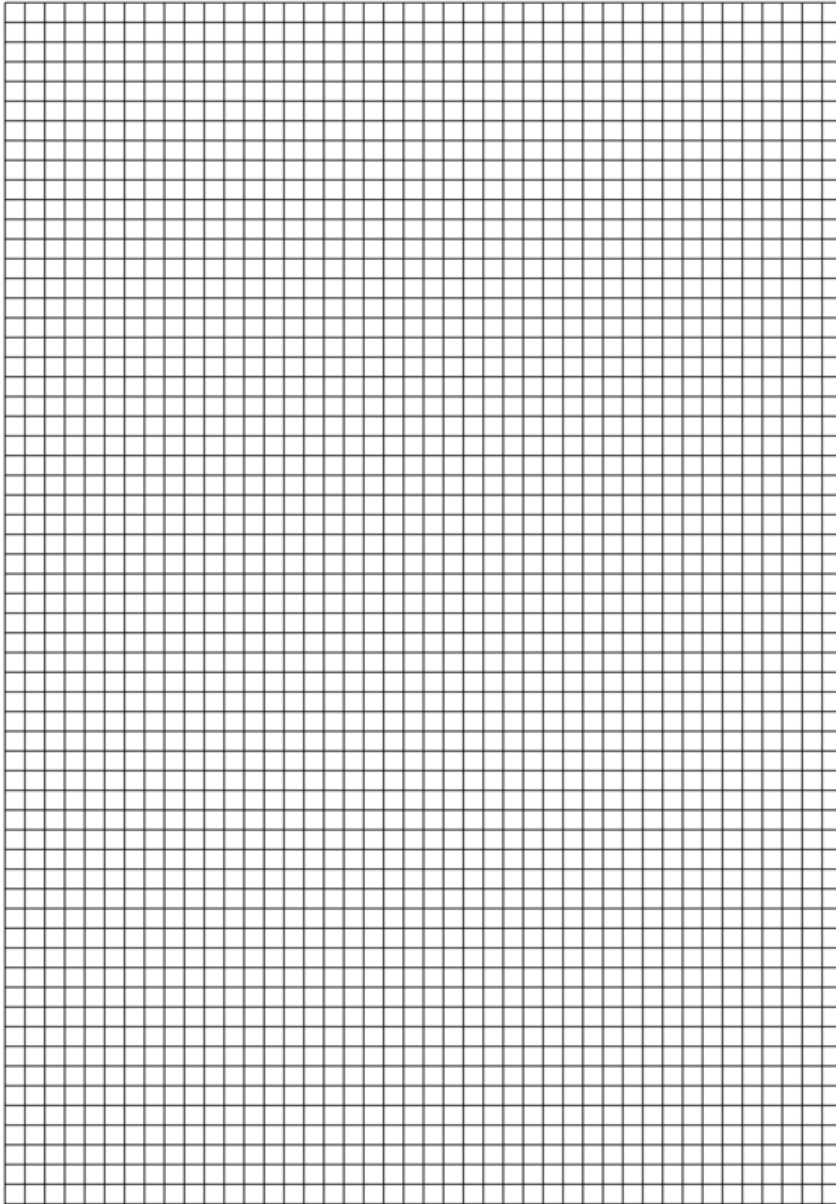


(Attach letter and calculations to back of this page)

Name: _____ FORM: _____

Graph of 3 Investment Options



Equations:

i.

ii.

iii.

How can the effective yield be used to decide which option is best?

How does the effective interest rate compare to the nominal (given) interest rate for each savings account?

Year	Option 1	Option 2	Option 3
1			
2			
3			
4			
5			
6			
Effective Rate (1 year)			
Effective Yield (6 years)			