

Name: _____

Date: _____

Problem-Based Task: Optimized Savings Options

Coaching

- a. What is the monthly interest rate for Option 2?
- b. How would you find the one-month interest payment for Option 2 given the previous balance?
- c. What is the monthly interest rate for Option 1?
- d. How would you find the one-month interest payment for Option 1 given the previous balance?
- e. What unknown value determines the size of the interest payment?
- f. How much would Ricardo have to invest in Option 1 for the one-month interest payment to cover the maintenance fee?
- g. What would the one-month interest payment for Option 2 be for this amount?
- h. When would the one-month interest payment for Option 1 minus the fee be equal to the one-month interest payment for Option 2?
- i. How much would Ricardo have to invest in Option 1 for that account to yield a greater one-month return than the account in Option 2?