	Interest and Compound Interest L2 Mark Scheme	
1(a)	100 × 1.07 (= 107)	[1]
	£107	[1]
1(b)	15000 × 1.01 (= 15150)	[1]
	£15150	[1]
1(c)	50 × 1.04 (= 52)	[1]
	£52	[1]
1(d)	350 × 1.18 (= 413)	[1]
	£413	[1]
1(e)	31 × 1.03 (= 31.93)	[1]
	£31.93	[1]
1(f)	116 × 1.49 (= 172.84)	[1]
	£172.84	[1]
1(g)	25.5 × 1.02 (= 26.01)	[1]
	£26.01	[1]
1(h)	16384 × 1.28 (= 20971.52)	[1]
	£20971.52	[1]
1(i)	65 × 2.12 (= 137.80)	[1]
	£137.80	[1]
1(j)	998.50 × 1.06 (= 1058.41)	[1]
	£1058.41	[1]
2(a)	1000 × 0.05 = £50 interest	[1]
	1000 + 50 = £1050 balance	[1]
2(b)	4000 × 0.02 = £80 interest	[1]
	4000 + 80 = £4080 balance	[1]
2(c)	750 × 0.1 = £75 interest	[1]
	750 + 75 = £825 balance	[1]
2(d)	10000 × 0.01 = £100 interest	[1]
	10000 + 100 = £10100 balance	[1]

3(a)	A: 10000 × 1.01 = £10100	[1]
	B: 9900 × 1.02 = £10098	[1]
	C: 9810 × 1.03 = £10104.3	[1]
	C produces the most.	[1]
3(b)	A: 15000 × 1.12 = £16800	[1]
	B: 18000 × 1.1 = £19800	[1]
	C: 13000 × 1.15 = £14950	[1]
	B produces the most.	[1]
3(c)	A: 100 × 1.06 = £106	[1]
	B: 130 × 1.04 = £135.2	[1]
	C: 115 × 1.05 = £120.75	[1]
	B produces the most.	[1]
3(d)	A: 199 × 1.29 = £256.71	[1]
	B: 249 × 1.24 = £308.76	[1]
	C: 149 × 1.34 = £199.66	[1]
	B produces the most.	[1]
3(e)	A: 10.4 × 1.25 = £13	[1]
	B: 10 × 1.24 = £12.40	[1]
	C: 11 × 1.23 = £13.53	[1]
	C produces the most.	[1]
4(a)	15000 × 0.01 = £150	[1]
	15000 + 150 = £15150	[1]
4(b)	9000 × 0.03 = £270	[1]
	9000 + 270 = £9270	[1]
4(c)	10000 × 0.02 = £200	[1]
	10000 + 200 = £10200	[1]
4(d)	Bob earns the most interest, Alice has the most money at the end.	[1]

5(a)	1000 × 1.02 × 1.02 × 1.02 (= 1061.208)	[1]
	£1061.21	[1]
5(b)	100 × 1.02 × 1.02 × 1.02 (=106.1208)	[1]
	£106.12	[1]
5(c)	250 × 1.02 × 1.02 × 1.02 (= 265.302)	[1]
	£265.30	[1]
5(d)	3400 × 1.02 × 1.02 × 1.02 (= 3608.1072)	[1]
	£3608.11	[1]
5(e)	144 × 1.02 × 1.02 × 1.02 (= 152.813952)	[1]
	£152.81	[1]
6(a)	15000 × 1.01 × 1.01 × 1.01 (= 15454.515)	[1]
	Alice's balance is £15454.52	[1]
	15454.515 – 15000 (= 454.515)	[1]
	Alice earns £454.52 interest.	[1]
6(b)	9000 × 1.03 × 1.03 × 1.03 (= 9834.543)	[1]
	Bob's balance is £9834.54	[1]
	9834.543 – 9000 (= 834.543)	[1]
	Bob earns £834.54 interest.	[1]
6(c)	10000 × 1.021 × 1.021 × 1.021 (= 10643.32261)	[1]
	Chloe's balance is £10643.32	[1]
	10643.32 – 10000 (= 643.32261)	[1]
	Chloe earns £643.32 interest.	[1]
6(d)	Bob earns the most interest.	[1]
	Alice has the most money in the end.	[1]

7(a)	10000 × 1.01 × 1.01 (= 10201)	[1]
	A: £10201	[1]
	9800 × 1.08 × 1.08 (= 11430.72) B: £11430.72	[1]
	9640 × 1.05 × 1.05 × 1.05 (= 11159.505) C: £11159.51	[1]
	B produces the most.	[1]
7(b)	110000 × 1.19 × 1.19 (= 155771)	[1]
	A: £155771	[1]
	130000 × 1.18 × 1.18 × 1.18 (= 213594.16) B: £213594.16	[1]
	199000 × 1.1 × 1.1 × 1.1 (= 264869) C: £264869	[1]
	C produces the most.	[1]
7(c)	10 × 1.06 × 1.06 × 1.06 (= 11.91016)	[1]
	A: £11.91	[1]
	13 × 1.04 × 1.04 (= 14.0608) B: £14.06	[1]
	11.5 × 1.05 × 1.05 × 1.05 (= 13.3126875) C: £13.31	[1]
	B produces the most.	[1]

8(a)	875 × 12 (= 10500), 45 × 12 (= 540), 30 × 12 (= 360),	[1]
	28 × 12 (= 336), 24 × 52 (= 1248), 20 × 12 (= 240)	[1]
	15 × 52 (= 780), 100 × 12 (= 1200), 10 × 52 (= 520)	[1]
	220 + 10500 + 540 + 360 + 336 + 1248 + 240 + 780 + 520 + 1200 = £15944	[1]
8(b)	Yes (because 18000 is greater than 15944)	[1] Allow error carried forward from previous part
8(c)	18000 × 0.97	[1]
	£17460	[1]
8(d)	25000 – 17460 (= 7540)	[1] Allow error carried forward from previous part
	7540 ÷ 12 (= 628.333 ...)	[1] Allow error carried forward from previous part
	£628.33	[1]
9(a)	Carl because 10500 is less than 12570	[1]
9(b)	28000 – 12570 (= 15430)	[1]
	15430 × 0.2 (= 3086)	[1]
	£3086	[1]
9(c)	50270 – 12570 (= 37700) 55000 – 50270 (= 4730)	[1]
	37700 × 0.2 (= 7540)	[1]
	4730 × 0.4 (= 1892)	[1]
	7540 + 1892 = £9432	[1]