Simple and Compound Interest

Key:

P=Period

I=Interest

Simple Interest:

|  |  |
| --- | --- |
| Start Period 1:  (P) | End Period 1:  (P)\*I |
| Start Period 2:  (P) | End Period 2:  (P)\*I\*I |
| Start Period 3:  (P) | End Period 3:  (P)\*I\*I\*I |

Compound Interest:

|  |  |
| --- | --- |
| Start Period 1:  (P) | End Period 1:  (P)\*I |
| Start Period 2:  (P\*I) | End Period 2:  (PI)\*I |
| Start Period 3:  (P\*I\*I) | End Period 3:  (PI\*\*I)\*I |