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 |