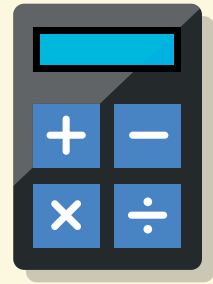




Simple to compound



This sequence is intended as a framework to be modified and adapted by teachers to suit the needs of a class group.

Resources needed

- The magic of compound interest and super – Explainer
- Using spreadsheets – Visualiser
- Super calculations from simple to compound – Worksheet
- Growing your super – Investigation

Suggested activity sequence

Part A: What is compound interest?

- 1 Use a *grouping strategy* to organise students in groups of 3 or 4.
- 2 Students read the *Explainer* and in groups construct a brief definition of superannuation and compound interest. Each group writes their definition on the board.
- 3 When all definitions are displayed, discuss the concept of super and compound interest and develop simple class definitions.

Part B: Super calculations from simple to compound

- 1 As a class read part 1 of the *Worksheet*.
- 2 Use the information table to demonstrate simple interest and compound interest formulas.
- 3 Model to students how to use spreadsheets to solve problems. Use the *Visualiser* if necessary. You could also refer students to *Making an excel spreadsheet – Flowchart* and/or *Making an excel spreadsheet – How-to-sheet* if needed.
- 4 Students complete part 1 of the worksheet.
- 5 As a class, read through part 2 of the worksheet and use the information table to explain how repeated applications of simple interest can be used to calculate interest on interest.
- 6 Students complete part 2 of the worksheet.
- 7 As a class, read through part 3 of the worksheet and discuss the superannuation guarantee. Use the information table to explain the process of adding the super guarantee to the super balance and interest earned.
- 8 Students complete part 3 of the worksheet.
- 9 As a class, work through the information tables on part 4 of the worksheet, discuss and if necessary, demonstrate the difference between using the compound interest formula to calculate interest annually and monthly.
- 10 Students complete part 4 of the worksheet.



- 11 Work through student solutions and conclusions for the worksheet with the whole class.

Part C: Growing your super

- 1 Walk students through the instructions for each task in the *Investigation*.
- 2 Students may benefit from working individually and/or in small discussion groups.
- 3 You may choose to group students according to readiness and distribute tasks accordingly. Task 1 is the least challenging and task 2 is the most challenging.
- 4 You may wish to use this as an assessment task. If so, negotiate with students what they will submit to you for marking and develop an assessment rubric which includes success criteria. Otherwise, conduct a class discussion to hear student's findings and ensure all of them have a general understanding of the idea that more frequent payments will improve their super balance.