



Review the procedure for calculating simple interest. Research the method of finding compound interest. Choose a common collectable that increases in value, such as baseball cards, automobiles, airplanes, stamps, or coins. Choose one for which you can document current values and the original price. Research these values.

Imagine you are able to sell the collectable items you are studying at the current value. Calculate the profit you would make as interest on your original money invested. Now calculate the money you would have earned if you had put the money in a savings account instead, with compound interest at 6% or the current bank rate compounded biannually. Figure the years from when the item was new.

Imagine you are a salesperson of the item researched, or a bank representative. Present your findings to the class to get them interested in investing with you. You may include factors other than the amount of money earned, such as security and enjoyment. Be persuasive!

Extension: Write or find a computer program that will compound interest daily. Use the figures from the above project to compare the results of the investment compounded monthly or daily.