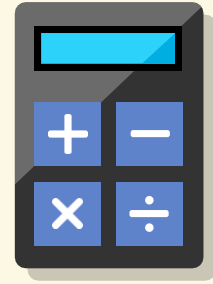# Simple saver

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

Resources needed

- Saving versus investing – Visualiser
- Simple interest graphs – Visualiser
- Saving versus investing – Explainer
- Simple Saver – Group worksheet

Suggested activity sequence

Part A: What is the difference between saving and investing?

1 Introduce the concept of saving or investing money using the explainer to clarify terms and concepts. Students could read these sections of the explainer individually or in pairs and take notes using the *worksheet* Part 1.

2 Invite student responses and use the saving versus investing visualiser to show possible answers to the worksheet.

Part B: Calculating simple interest on savings and investments.

1 Explicitly teach students how to calculate simple interest using a gradual release of responsibility model.

To calculate simple interest:

$$Interest = Principal \times Rate \times Time$$

Where the principal is the original amount of money, and rate is converted to a decimal value.

To calculate the future value of an amount of money in a savings account:

$$Amount = Principal + Interest$$

Example Problem

Calculate the interest earned on investing $2000 at 4.5%pa for 2 years. What is the final amount of money available.

Interest	$= Principal \times Rate \times Time$
	$= 2,000 \times 0.045 \times 2$
	$= \$180$
Amount	$= Principal + Interest$
	$= \$2,000 + \$180$
	$= \$2,180$

2 Students complete Part 2 of the worksheet.

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Part C: Calculating simple interest on loan accounts and determining repayment amounts

1 Explicitly teach students to calculate the repayment amount required to repay a loan in a given timeframe using the gradual release of responsibility model.

To calculate the repayment amount required to repay the loan within a given timeframe:

$$Repayments = \frac{Amount}{Time \times Frequency}$$

Where the Amount = Principal + Interest, Time is years, and Frequency is the repayment frequency e.g. weekly, monthly, etc.

Example Problem

Calculate the weekly repayments required to pay back a loan of $2000 with an interest rate of 4.5%pa taken for 2 years.

Interest = $180, Amount = $2,180

$$
\begin{aligned}
Repayments &= \frac{Amount}{Time \times Frequency} \\
&= \frac{\$2,180}{2 \times 52} \\
&= \$20.96
\end{aligned}
$$

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2 Students complete Part 3 of the worksheet.

Part D: Simple interest graphs and linear function applications

1 Use the *simple interest graphs visualiser* to explicitly teach about simple interest graphs, linear functions and how to solve associated problems.

2 Students complete Part 4 of the worksheet. Use your discretion on which questions different students will answer. For example, you may set question 4 as an extension activity.

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