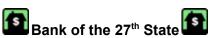
CD Rates

A **Certificate of Deposit (CD)** is a type of savings account that requires the customer to keep their money invested for a specific length of time before interest can be earned. If the customer leaves their money invested for the stated time, then interest is earned based on the **Annual Percentage Yield (APY)** (*this is the interest rate*).

Loc	ok at the <mark>Mone</mark>	y Bank of Florida	chart to answer t	the following ques	stions.
1.	Which CD ha	s the lowest intere	est rate?		
2.	2. Which CD has the highest interest rate?				
3.	3. Why would you choose a CD with a lower interest rate? (Hint: look at the minimum				
	balance of ea				
			Money Bank of	Florida ಠ	
		CD on the go	Easy CD	Yearly CD	Sitting CD

	CD on the go	Easy CD	Yearly CD	Sitting CD
Term	28 days	9 months	12 months	18 months
Annual percentage yield (APY)	0.009%	0.03%	0.08%	0.15%
Opening minimum balance	\$1,000	\$5,000	\$10,000	\$10,000

Loc	ok at the Bank of the 27th State chart to answer the following questions.
4.	Which CD has the lowest interest rate?
5.	Which CD has the highest interest rate?
6.	Why would you choose a CD with a lower interest rate? (Hint: look at how long the
	terms for each CD are)



	CD on the go	Easy CD	Yearly CD	Sitting CD	Long CD
Term	100 days	15 months	3 years	5 years	7 years
Annual percentage yield (APY)	0.20%	0.35%	0.4%	0.85%	1.25%
Opening minimum balance	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00

7. Calculate how much interest can be earned from each of the CDs from each of the banks based on the **minimum** required opening balances and record only the **interest** in the chart.

Ex. The minimum opening balance for a CD on the go from Money Bank is \$1,000. The term/time is 28 days, or $\frac{28}{365}$ years. It has a rate of 0.009%.

$$I = prt = (1,000)(0.009)(\frac{28}{365}) = $0.70$$

	CD on the go	Easy CD	Yearly CD	Sitting CD	Long CD
Money Bank	\$0.70				Not Applicable
Bank of the 27 th State					

- 8. Is it in the customer's best interest to buy a CD on the go from Money Bank or Bank of the 27th State if they have \$1,000?
 - a. How much interest would the customer earn if they put \$1,000 into a CD on the go at Money Bank? _____
 - b. How much interest would the customer earn if they put \$1,000 into a CD on the go at Bank of the 27th State?
 - c. Which one is in the customer's best interest? Tell me why.

9.	Whose in	nterest would be better served if \$2,000 were deposited in a CD on the go	
	at Money	y Bank (the bank or the customer)?	
	a. If you deposit \$2,000 into a CD on the go at Money Bank, how m		
		interest would you earn?	
	b.	Is it better for the bank to have your \$2,000 deposit to use or for you to earn the interest you calculated for part a? Tell me why.	