Dear “Money Works”

**Financial Literacy**

**Unit 1 Line Master 3a**

*Money Works* is a financial blog. Its authors receive e-mails
and offer people advice. Here are two emails received.

**E-mail 1:**

*I started babysitting last year. I have saved $200 in my coin bank.
My parent says I should put it in a savings account that pays annual interest of 2%, with a $2 annual fee.
My grandparent says I should invest in a GIC with annual interest of 3%.
I want to keep the money in my coin bank!
How can I decide?*

• Determine the value of each option after 1 year.

• What advice would you give?

• Write a blog post response:

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 Dear “Money Works” (cont’d)

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**Unit 1 Line Master 3b**

**E-mail 2:**

*I borrowed $200 to buy a tablet.
I have these options to pay back the loan in 1 year:
• Pay an annual interest rate of 1% and a $10 annual fee, or
• Pay an annual interest rate of 4% with no fee.*
*Which should I choose?*

• Determine the amount owing for each option after 1 year.

• What advice would you give?

• Write a blog post response: