



Test 8—Question 5: Problem Solving

- 5 Chris put \$500 in a savings account that earns 2% annual interest. He says that without adding money to the account, he will have \$600 in the account after one year.

On the lines below, explain why Chris is incorrect.

At the end of a year, Chris' bank charges a 1% service fee which is calculated AFTER the interest is added to the account.

How much money is in Chris' account after the first year once the service fee is deducted?

Show All Work

Answer \$ _____