

Name:

Section 7.2 – Interest and Deductions

Simple Interest: $I = Prt$

Compound Interest: $A = P \left(1 + \frac{r}{n}\right)^{nt}$

<p>If I invest \$5000 in a GIC that pays me 6% interest over a five-year period, how much interest do I make?</p>	<p>If I invest \$32 000 in a Mutual Fund that pays me 8%, is compounded monthly, over a 7 <i>year</i> period, what is my new amount at the end of the seven years and how much is interest?</p>																										
<p>I make \$5600 GROSS monthly, determine what bracket I fall into annually, deduct my necessary income, EI, and CPP taxes. Determine my NET annual salary and how much I would receive NET pay on a bi-weekly paystub.</p>	<table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr style="background-color: #cccccc;"> <th style="padding: 5px;">Taxable Income</th> <th style="padding: 5px;">Average Tax Rate</th> </tr> </thead> <tbody> <tr><td style="padding: 5px;">\$30 000</td><td style="padding: 5px;">12.4%</td></tr> <tr><td style="padding: 5px;">\$40 000</td><td style="padding: 5px;">14.3%</td></tr> <tr><td style="padding: 5px;">\$50 000</td><td style="padding: 5px;">16.4%</td></tr> <tr><td style="padding: 5px;">\$60 000</td><td style="padding: 5px;">18.4%</td></tr> <tr><td style="padding: 5px;">\$70 000</td><td style="padding: 5px;">19.8%</td></tr> <tr><td style="padding: 5px;">\$80 000</td><td style="padding: 5px;">20.8%</td></tr> <tr><td style="padding: 5px;">\$90 000</td><td style="padding: 5px;">22.0%</td></tr> <tr><td style="padding: 5px;">\$100 000</td><td style="padding: 5px;">23.4%</td></tr> <tr><td style="padding: 5px;">\$110 000</td><td style="padding: 5px;">24.8%</td></tr> <tr><td style="padding: 5px;">\$120 000</td><td style="padding: 5px;">26.1%</td></tr> <tr><td style="padding: 5px;">\$130 000</td><td style="padding: 5px;">27.2%</td></tr> <tr><td style="padding: 5px;">\$140 000</td><td style="padding: 5px;">28.2%</td></tr> </tbody> </table> <p style="text-align: center; margin-top: 20px;"><i>EI: 1.66%</i></p> <p style="text-align: center;"><i>CPP: 4.95%</i></p>	Taxable Income	Average Tax Rate	\$30 000	12.4%	\$40 000	14.3%	\$50 000	16.4%	\$60 000	18.4%	\$70 000	19.8%	\$80 000	20.8%	\$90 000	22.0%	\$100 000	23.4%	\$110 000	24.8%	\$120 000	26.1%	\$130 000	27.2%	\$140 000	28.2%
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