



Task Title: Understanding Interest

OALCF Cover Sheet – Learner Copy

Learner Name: _____

Date Started: _____

Date Completed: _____

Successful Completion: Yes ☐ No ☐

Goal Path: Employment ☐ Apprenticeship ☐

Secondary School ☐ Post Secondary ☐ Independence ☐

Task Description: The learner will read a short article about interest rates and answer questions.

Main Competency/Task Group/Level Indicator:

- Find and Use Information/Read continuous text/A1.2

Materials Required:

- Pen/pencil and paper and/or digital device
- Computer

Learner Information

People borrow money that is subject to interest for purchases like homes or cars. Saving money can help you earn interest. Understanding how interest rates are determined can help you determine how much it will cost to borrow money or how much you will earn through savings or investments.

Go to “What is an Interest Rate?” and read the article:

<https://www.nerdwallet.com/ca/p/article/banking/what-is-interest-rate>

Work Sheet

Task 1: How is interest charged on borrowed money different from interest you receive on a savings account?

Answer:

Task 2: What is a key element that guides the prime rates for commercial banks?

Answer:

Task 3: What is Canada's prime interest rate?

Answer:

Task 4: What is the difference between a fixed interest rate and a variable interest rate?

Answer:

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Task 5: List two benefits of a fixed interest rate.

Answer:

Task 6: Describe the difference between simple interest and compound interest.

Answer: