Chapter Problem Wrap-Up

Summative Assessment

- Use **BLM 7–9 Chapter 7 Problem Wrap-Up Rubric** to assess student achievement.

Using the Chapter Problem Wrap-Up

- Students should have the solutions to the previous Chapter Problem questions in a separate portfolio for easy access.

Level 3 Sample Response

a) *Interest Rates*
   Treasury bond: 3.5% per year, simple interest
   Chequing account: 1.8% per year, compounded monthly
   Mutual fund: 6% per year, compounded annually

b) Total interest earned $= \$12\ 000 - \$10\ 000$
$\qquad\qquad\qquad\qquad\quad = \$2000$

c) $r = \dfrac{I}{Pt}$

$\quad = \dfrac{2000}{(10\ 000)(4)}$

$\quad = 0.05$ or 5%

The effective rate of return on Chloe's investments is 5% per year.

d) $A = P(1 + i)^n$

$\quad = 10\ 000(1 + 0.06)^4$

$\quad \doteq 12\ 624.77$

Chloe could have earned \$2624.77, which is \$624.77 more than what she actually earned.

e) Chloe's financial advisor did not recommend investing everything in the Mutual Fund because of risk.

Level 3 Notes

Look for the following:

- Demonstrates clear understanding of the problem
- Calculations are generally correct and clearly presented
- Answers are based on sound mathematical reasoning

What Distinguishes Level 2

- Slight misinterpretation of one part of the problem
- One or two minor calculation errors may be present
- Answers are based on mathematical reasoning containing minor flaws

What Distinguishes Level 4

- Clearly articulates a thorough understanding of the problem
- Calculations are completely error free, and presented with clear and thorough explanations
- Answers are based on sound mathematical reasoning, including identification of any underlying assumptions and discussion of other relevant factors that need to be considered