

# Chapter 7 Practice Test

## Student Text Pages

372–373

## Suggested Timing

45–75 min

## Materials and Technology Tools

- grid paper and rulers
- graphing calculators with TVM Solver
- calculators (if TVM Solver is not available)

## Related Resources

- BLM 7–11 Chapter 7 Practice Test
- BLM 7–12 Chapter 7 Test
- BLM 7–13 Chapter 7 Practice Test Achievement Check Rubric

## Summative Assessment

- **BLM 11 Chapter 7 Practice Test** provides a source for possible diagnostic assessment.
- After students have completed **BLM 11 Chapter 7 Practice Test**, you may wish to use **BLM 12 Chapter 7 Test** as a summative assessment.

## Accommodations

**Visual**—provide larger copies of graphs

**Motor**—use a TVM Solver for compound interest calculations; use technology for graphing

**Language**—provide a list of definitions for key terms

**Memory**—use index cards with calculator sequences

## Using the Practice Test

This practice test can be assigned as an in-class or take-home assignment. If it is used as an assessment, use the following guidelines to help you evaluate the students.

Can students do each of the following?

- calculate simple interest
  - calculate compound interest
  - use the compound interest and present value formulas
  - relate a situation involving compound interest to an exponential function, and vice versa
  - use a TVM Solver to solve financial problems
- **Question 17** is an Achievement Check question. Provide students with **BLM 7–13 Chapter 7 Practice Test Achievement Check Rubric** to help them understand what is expected.

## Study Guide

Use the following study guide to direct students who have difficulty with specific questions to appropriate examples to review.

Question	Section(s)	Refer to
1	7.1	Example 1 (page 348)
2	7.2	Example 1 (page 357)
3	7.1	Example 3 (pages 349–350)
4	7.4	Example 1 (page 368)
5	7.2	Example 2 (page 358)
6	7.2	Example 2 (page 358)
7	7.1	Example 2 (page 348)
8	7.1	Example 3 (pages 349–350)
9	7.2	Example 2 (page 358)
10	7.2	Example 2 (page 358)
11	7.3	Example 2 (page 364)
12	7.3	Examples 1 and 2 (pages 363–364)
13	7.3	Examples 1 and 2 (pages 363–364)
14	7.3	Example 1 (page 363)
15	7.2	Examples 1 and 2 (pages 357–358)
16	7.4	Example 1 (page 368)
17	7.1 7.4	Example 3 (pages 349–350) Example 2 (page 369)

**Achievement Check Sample Solution (page 375, question 17)**

- a)** The first graph is exponential, so it represents compound interest. The second graph is linear, so it represents simple interest.
- b)** The approximate future value of the compound interest investment at 6 years is \$4000. The approximate future value of the simple interest investment at 6 years is \$3500.
- c)** The interest rate offered by Derrick's institution is about 5% compounded annually. The interest rate offered by Skylar's institution is about 2.7% simple interest. Since the TVM Solver is for compound interest calculations, the simple interest rate is obtained using the simple interest formula.
- d)** I would invest in the GIC with compound interest since the future value of this investment is more than the future value of the GIC with simple interest since year 1.