Yearly Interest Rate

The baker is charged a yearly interest rate of 10%. How much interest do they pay each month? Use the steps above.

When the interest rate is charged by year, you need to convert it into a monthly interest rate. Take these steps:

· **Step 1**: Convert the annual rate from a percent to a decimal by dividing by 100: 10/100 =

· **Step 2**: Now divide that number by 12 to get the monthly interest rate in decimal form: ____/12 =

Yearly Interest Rate

The baker is charged a yearly interest rate of 10%. How much interest do they pay each month? Use the steps above.

When the interest rate is charged by year, you need to convert it into a monthly interest rate. Take these steps:

· **Step 3**: To calculate the monthly interest on $2,000.00, multiply that number by the total amount: ____ x $2,000.00 = __ per month

· **Step 4**: Convert the monthly rate in decimal format back to a percentage (by multiplying by 100): ____ x 100 = ____

· **Step 5**: Your monthly interest rate is 0.83%

Yearly Interest Rate

The baker is charged a yearly interest rate of 10%. How much interest do they pay each month? Use the steps above.

When the interest rate is charged by year, you need to convert it into a monthly interest rate. Take these steps:

The baker is charged a yearly interest rate of 4.5%. How much interest do they pay each month? Use the steps above.