

JUANMA BRUZÓN

1.- GENERAL ASPECTS

TITEL: Simple interest versus compound interest.		
FORM: First Course of Superior Professional Training: Branch: Finance and Administration.		
ENGLISH LEVEL: B 1		
SUBJECT: Financial Maths	TERM: First Term.	TEMPORALIZATION: 1Session.

2.- JUSTIFICATION

It is essential for students of financial maths to differentiate between this two concepts, due to the importance of this practice in real life among Banks. To be able to reach our goal we will start from the previous knowledges the students have already acquired on this subject.

3.- OBJECTIVES

- To show global understanding of the difference between simple interest and compound interest.
- To identify an operation of simple interest.
- To identify an operation of compound interest.
- To choose the proper financial operation, when required.
- To distinguish between simple interest and compound interest.
- To awake the interest in learning in English.

4.- CONTENTS

- The simple interest fomula.
- The compound interest formula.
- The differences between them.

5.- PROCEDURES

- Listening to the profesor explanation.
- Practice and problem solving.
- Using a power point presentation to explain the contens.
- Representing graphics of the simple and compound interest to see the diference.

6.- ATTITUDES

- Active participation and enjoyment in the classroom activities and routines.
- Recognition of the value of using the financial maths.
- Recognition of the importance of the English language in the finances.
- Interest in learning financial maths in English.

7.- ACTIVITIES

- The students will have to solve problems and comment their solutions.
- The studens will work on a power point presentation showing in graphics the diferences between the simple interest and the compound interest.
- The students will be divided in various groups and each group will have to say their opinion about the bank interest practices.
- The students will have to use the excel finance functions .

8.- MATERIALS PROVIDED

Instruccions given to the students after handouts are provided, diagrams on the board, worksheets and exercises.

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9.- ASSESSMENT MATERIALS

Students notebook, speeches notes and exam sheet.

10.- BIBLIOGRAPHY.

Paul Wilmott, Sam Howison and Jeff Dewynne
The Mathematics of Financial Derivatives: A Student Introduction
Cambridge University Press, 1995

Concepción Delgado y Juan Palomero 2002. Gestión Financiera
"Teoría y 800 ejercicios" Palomero-Delgado Editores.