12: Interest:

1. Simple interest:

$$\text{Interest} = \text{initial money} \times \text{interest rate} \times \text{number of years}$$

2. Compound interest:

$$\text{Total money} = \text{initial money} \times (1 + \text{interest rate})^{\text{time}}$$

e.g. put 1000\$ with 10% compound interest for 5 year.

Total money = $1000 \times (1 + 0.10)^5 = 1610.51$