

PercentagesChallengeSheet: key vocabulary

basis point	a unit equal to one hundredth of one percent, used for small changes in rates.
bond	a type of loan to a government or company that pays regular money and is paid back later.
compound	to earn interest on both the original amount and on interest already earned.
coupon	The regular interest payment made on a bond.
decimal	a number written with a point, where the digits after the point are parts of a whole
fraction	a number written as one whole split into equal parts, with a number of those parts taken
gilt	A bond issued by the UK government to borrow money.
interest	Money paid for borrowing or earned on savings.
interest rate	the percentage of an amount that is paid or earned as interest.
ladder	an investment strategy that buys bonds with different maturity dates so payments arrive at regular times.
maturity	the time when a bond is paid back.
percent	for every hundred; shown with a % sign.
percentage	a number of parts out of a hundred
principal	The original amount of money borrowed or lent, before interest or extra payments.
return	The amount of money gained or lost on an amount lent or invested.
simple interest	interest calculated only on the original amount, so previous interest earns nothing.
simplest form	a fraction written with the smallest possible numbers above and below the line.
yield	The money earned on an amount lent or invested, usually shown as a percentage.
yield curve	a line showing how yields change for different times to maturity.

Match the word to its meaning

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