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The Miracles of Compound Interest by Tyler

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So, have you seen your latest credit card bill? Does the amount look ambiguous to you? Do you owe the bank a lot more now, than you anticipated? Well, do not blame the bank alone. It is your duty to keep an eye on all the purchases you makes using your credit card. Many people simply take a credit card, due to the 'ready availability' of money. The first three months would look pretty, as the amount would not have been so burdensome and would look reasonable; hence they intend to be content by paying only the minimum amount and then start spending again. This is a vicious circle and is a very dangerous gamble.

The major reason for the amount to double or triple in no time is that the bank charges a compound interest over the borrowed amount. Therefore, when you do not pay the amount in full, your compound interest enables the banker to charge you over the outstanding amount, plus the accumulated interest. As a simple example, consider you have used up about $1000 on your credit card to purchase some article. Suppose the bank charges you an interest rate of about twenty percent, then your outstanding amount will double in three and a half years. So, you now know how terrible could the scenario be in actual.

There are several people, who get smitten by the advertisements and get carried away by the bank's fancy talk and reward points program. They end up purchasing the card and then few years down the line end up with zero bank balance and a still impending outstanding balance. If you go through the news and internet stories, you will be aware that a number of people have filed for bankruptcy, just because of their immense attachment to credit cards. The only way to maintain a good hold on credit cards is to do a timely compound interest calculation.

For your own convenience, you can use online interest calculating applications to verify your statements. There are several online compound interest calculation websites and tools available, at no cost at all. These tools are very simple, generic and very user friendly. You do not have to be a computer geek to know what to do. They are generally simple applications, with blank fields, which could be filled in with ease and then all you need to do is press the calculate button. These tools will help you manage your credit record and also let you keep a check on your expenditure.

Some of these websites might even help you choose the right credit card. All you need to do is put in a dummy amount and the rate of compound interest, to calculate the amount you would owe the bank or card provider over various payback periods. You might even study the iteration and make your own credit card table to make a good choice. You may even be able to compare various credit cards with the help of these sites.

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Tyler - About Author:
Looking for a compound interest and a compound interest calculation? Then you have come to the right place; follow the link for more information.

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