



Error analysis | Return on investment

Jenny signed up for an investment workshop to improve her financial literacy. During the workshop she was asked to decide which of the two investments below were the most profitable.

Frank invested \$20 and got back \$80.

Sue invested \$60 and got back \$120.

Jenny replied that both investments were the same, because they both made the same amount of money.

Question: What misunderstanding has led to Jenny's conclusion?

Find some prompts on the back of this card »



Some prompts to guide your thinking:

- » Jenny has not 'seen' the multiplication nature of the return on investment.
- » Multiplication can be thought of as 'How many groups of this fit into that?'
- » For example, how many '20's fit into 80? How many '60's fit into 120?'
- » Frank has made four times his original investment and Sue only twice her original investment.
- » Supporting Jenny will involve helping her to see how many times the original investment fits into the final amount of return.

Scan the QR code to find out why Jenny made this mistake and how you can teach this concept.

