

# Compound Interest Terminology

**Annual** interest is compounded once a year ( $m = 1$ ).

**Semiannual** interest is compounded twice a year ( $m = 2$ ).

**Quarterly** interest is compounded four times a year ( $m = 4$ ).

**Bimonthly** interest is compounded six times a year ( $m = 6$ ).

**Monthly** interest is compounded every month ( $m = 12$ ).