

PA7 Worksheet "Simple Interest"

SIMPLE INTEREST w/s 2

Name _____

HW# _____ Period _____

Find the interest for each in #1 - #3

- 1) $p = \$2,500$
 $r = 13\%$ per year
 $t = 4$ years

- 2) The amount borrowed for
6 months is \$600 at an
annual interest rate of 9%

- 3) \$750 is invested for six
years at $10\frac{1}{2}\%$ per year.

Find the interest and the amount for each in #4 - #6

- 4) A mortgage of \$325,000
at $7\frac{3}{4}\%$ for 30 years.

- 5) A savings of \$5000 that
earns $7\frac{1}{4}\%$.

- 6) A \$4000 loan for 21
months at a rate of 13.5%

Find the missing part for #7 - #9

- 7) $p = \$20,000$
 $r = 14\%$ per year
 $I = \$18,200$
 $t = \underline{\hspace{2cm}}$

- 8) The interest on a \$12,000
loan for 18 months is
\$2,295. What is the
rate?

- 9) How much is in the savings
account if the Interest for
4 months at 6.5% is
\$19.50?

Simple and Compound Interest Worksheet #2

Name: _____

In problems 1-3, compare the amount you have if the money were invested at simple interest or invested so that it is compounded annually.

1. \$5,000 at 10% for 5 years
2. \$2,000 at 12% for 3 years
3. \$1,000 at 14% for 30 years

In problems 4-6, compare the amount of simple interest and the interest if the investment is compounded annually.

4. \$1,000 at 8% for 5 years
5. \$2,000 at 12% for 3 years
6. \$5,000 at 12% for 20 years

Fill in the blanks for problems 7-12.

Compounding Period (n)	Principal (P)	Yearly rate (r)	Time (t)	Period rate (r/n)	Number of periods, (nt)	Total Amount (A)	Total Interest (I)
7. Annually	\$1,000	9%	5 years				
8. Semiannually	\$1,000	9%	5 years				
9. Quarterly	\$500	8%	3 years				
10. Monthly	\$350	12%	5 years				
11. Quarterly	\$800	12%	90 days				
12. Quarterly	\$1,250	16%	450 days				

$$I = P \cdot r \cdot t$$

$$A = P \left(1 + \frac{r}{n} \right)^{n \cdot t}$$