

Name: ..... Class: .....

Simple interest

1. Felix invested \$10,000 at 8% simple interest. How much interest will he earn in 2 years?
2. Aisha has \$150.00 in a simple interest savings account that earns 10% annually. How much interest will she earn in 1 year?
3. Henry put \$5.67 into a simple interest savings account that earns 15% per year. How much interest will he receive at the end of 10 years? Round your answer to the nearest cent.
4. The CEO of my company is into huge debt. Last year, he took a loan of a whopping \$225,500,956 for business purpose at 5% interest rate per annum. The payment agreement was after a period of 15 years. How much interest will he pay?
5. If Silas put \$1,000 in a simple interest savings account that pays 9% for one year. How much money will Silas have at the end of 19 years in his account assuming that the banks will continue to calculate the 9% interest based on the initial amount that he deposited (i.e. \$1,000)?
6. Mercy saved \$695,560.67 into a simple interest savings account that earns 5% per year. How much money will she receive at the end of 2 years if the interest rate was compounded? Round your final answer to the nearest cent.
7. Find the amount of money that was initially invested at 9% annual simple interest for a period of 15 years to earn an interest of \$1,276,809.75 assuming that the interest rate was not compounded. Give your answer to the nearest cent.

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Simple interest

1. Felix invested \$10, 000 at 8% simple interest. How much interest will he earn in 2 years?

Interest rate ( $r$ ) = 8%. Convert to a decimal =  $8 \div 100 = 0.08$ .

Starting amount ( $p$ ) = \$10 000.

Time ( $t$ ) = 2 years.

Therefore, the interest earned ( $i$ ) =  $PRT$ .

=  $\$10\,000 \times 0.08 \times 2$

= \$1, 600.

Hence he will earn an interest of \$1, 600.

2. Therefore Aisha will earn an interest of \$15.

3. So, henry will earn an interest of \$8.51 at the end of 10 years.

4. So, he will pay an interest of \$169,125,717.

5. So, he will have a Total of \$2,710 in his account.

6. So, she will receive \$766,855.64 at the end of 2 years.

7. So, the initial amount that was invested was \$945,785.