

## Simple & Compound Interest Problems

1. Lisa invested \$8000 at 9.25% for 30 months. Calculate the interest earned and the (final) amount.  
Find = \_\_\_\_\_ Answer = \_\_\_\_\_  
Find = \_\_\_\_\_ Answer = \_\_\_\_\_
2. Dylan has an investment that earns him \$300 each year. If the annual rate is 8%, what is the principal?  
Find = \_\_\_\_\_ Answer = \_\_\_\_\_
3. David invested in a 15-week term deposit that earned  $7\frac{3}{4}\%$  of simple interest. When it matured he received \$1250 in interest annually. He then reinvested all his money in a 40-week term deposit so that it would earn 8.5% annually.  
a) How much was the original investment?  
Find = \_\_\_\_\_ Answer = \_\_\_\_\_  
b) How much will David have when the second term deposit matures?  
Find = \_\_\_\_\_ Answer = \_\_\_\_\_
4. Alexie invested \$5000 at 6% compounded annually for 17 years. Meja invested \$5000 at 6% compounded daily for 17 years.  
a) Which investment earned more money?  
Find = \_\_\_\_\_ Answer Aexie = \_\_\_\_\_ Answer Meja = \_\_\_\_\_  
b) How much more?
5. Jessica wants to have \$15000 in 7 years. Her bank will pay her 5%/a interest compounded quarterly. How much does she have to invest now to have the money in the future?  
Find = \_\_\_\_\_ Answer = \_\_\_\_\_
6. Phil wants to buy a car worth \$20 000 5 years from now.  
a) How much should he invest in a GIC account earning 6%/a compounded semi-annually?  
Find = \_\_\_\_\_ Answer = \_\_\_\_\_  
b) How much interest did he earn?  
Find = \_\_\_\_\_ Answer = \_\_\_\_\_
7. Megan will receive \$5000 on her 21st birthday from her parents who invested when she was born. If the interest rate was  $4\frac{3}{4}\%$  compounded monthly, how much did her parents invest when she was born?  
Find = \_\_\_\_\_ Answer = \_\_\_\_\_

- 