

SIMPLE INTEREST 3

1) Mike deposited \$400 at his credit union. He is paid 8% interest per annum (per year).

How much interest will he be paid after

- (a) 1 year; \$_____
- (b) 2 years; \$_____
- (c) 3 years; \$_____
- (d) 4 years; \$_____
- (e) 5 years; \$_____
- (f) 6 years? \$_____

2) Father deposited \$900 on his bank account. The bank pays him 3% interest per annum. How much interest will he earn after

- a) 1 year; \$_____
- b) 2 years; \$_____
- c) 3 years; \$_____
- d) 4 years; \$_____
- e) 5 years? \$_____
- f) How much money will he have after 6 years? \$_____

3) Pat borrowed \$4000 from a bank. She must pay the bank 5% interest every year. How much interest will she have paid after

a) 1 year b) 2 years c) 3 years d) 4 years e) 5 years?

\$_____ \$_____ \$_____ \$_____ \$_____

f) Pat repays the loan in full after 6 years. How much money does she repay?

\$_____

4) Carla borrowed \$800. The loan was repaid after 5 years. If the bank charged 10% simple interest per annum, how much money did Carla repay? \$_____

5) \$500 is invested at an interest rate of 12% per annum by Mom. How much money will Mom have after 10 years?

$$I = PRT$$

$$I = \$500 \times 12\% \times 10 = \$_____$$

$$\text{Ans.} = \$_____$$