

## SIMPLE INTEREST

Use the formula  $I = PRT$  to work the following problems.

1. Benny borrowed \$4000 from credit union to buy a used car. He was charged 9% simple interest for 3 years. How much interest did he pay?
2. Chuck invested \$9000 in a special savings account that earned 5% simple interest. If he left the money in the account for 4 years, how much interest did he earn?
3. Mr. Franklin borrowed \$800 for a period of two years. He is to pay simple interest at a rate of 17%. How much interest will he have to pay?
4. Mrs. Mayer borrowed \$700 for six months. How much simple interest will she be charged if the interest rate is 14% a year?

5. Gillian invested \$15,000 in a Palm Tree Company that promised to earn him 8% simple interest for 3 years. How much interest did he earn?
  
  
  
  
  
  
  
  
  
  
6. Ted started a savings account by putting in \$500. The account earned 3% simple interest. How much interest did Ted make after 4 years?
  
  
  
  
  
  
  
  
  
  
7. Mr. Walker borrowed \$800 for  $2\frac{1}{2}$  years. He is to pay 8% annual interest. How much interest is he to pay?
  
  
  
  
  
  
  
  
  
  
8. Danni has \$3500 in a savings account for 30 months. Interest was paid at an annual rate of 5%. How much interest did she receive?
  
  
  
  
  
  
  
  
  
  
9. Henry deposited \$900 in a savings account at 6.5% interest. How much interest will Henry receive in one year?

10. Venus borrowed \$14,500 to buy a new car. The interest rate was 12.5%. If the loan was for 5 years, how much interest did Venus have to pay?
  
  
  
  
  
  
  
  
  
  
11. Judy borrowed \$700 for one year. She will pay 8% interest on the first \$300 and 6% interest on the remainder of the loan. How much interest will she pay?
  
  
  
  
  
  
  
  
  
  
12. Mrs. Vernon paid \$48 interest for a two year loan at 6% annual interest. How much money did she borrow?
  
  
  
  
  
  
  
  
  
  
13. Marvin paid \$42 interest for a \$350 loan for  $1\frac{1}{2}$  years. What was the rate of interest?

14. How much must be deposited at  $4\frac{1}{2}\%$  annual interest in order to earn \$36 in two years?
15. James borrowed \$700 for one year. Interest on the first \$300 of the loan was 8% and the interest on the remainder of the loan was 6%. How much interest did he pay?
16. Mr. Barnes borrowed \$9000 for 3 years. He will pay 7% simple interest. How much interest will he pay for the loan?
17. Mr. Carr paid \$64 interest for a two-year loan at 8% simple interest. How much money did he borrow?

18. Mrs. Johnston borrowed \$600 at 7% simple interest. She paid a total of \$84 in interest. For what period of time was the money borrowed?
19. Matt paid \$90 interest for a loan of \$750 for  $1\frac{1}{2}$  years. What was the rate of simple interest?
20. Kate deposited \$400 in a savings account for 2 years. Interest is to be paid at the rate of 5% simple interest. What will be the total amount in her account after the two years?