

Name: \_\_\_\_\_

Block: \_\_\_\_\_

**Simple Interest**

**Directions:** Calculate the following simple interest problems. Write your answers in the space provided; show your work. Use the formula  $I = P * R * T$  and round your answers to the nearest cent or the nearest tenth of a percent. Use three decimal places for fractions of time.

1a. $I =$ _____ $P = \$500$ $R = 8\%$ $T = 3 \text{ years}$	1b. $I =$ _____ $P = \$50$ $R = 12\%$ $T = 1 \text{ month}$	1c. $I =$ _____ $P = \$1,000$ $R = 18\%$ $T = 24 \text{ months}$	1d. $I =$ _____ $P = \$600$ $R = 15\%$ $T = 60 \text{ days}$
2a. $I = \$6$ $P =$ _____ $R = 12\%$ $T = 3 \text{ years}$	2b. $I = \$15$ $P =$ _____ $R = 15\%$ $T = 90 \text{ days}$	2c. $I = \$300$ $P =$ _____ $R = 12\%$ $T = 18 \text{ months}$	2d. $I = \$0.90$ $P =$ _____ $R = 6\%$ $T = 60 \text{ days}$
3a. $I = \$12$ $P = \$200$ $R =$ _____ $T = 6 \text{ years}$	3b. $I = \$390$ $P = \$2,000$ $R =$ _____ $T = 18 \text{ months}$	3c. $I = \$0.50$ $P = \$25$ $R =$ _____ $T = 6 \text{ weeks}$	3d. $I = \$3$ $P = \$50$ $R =$ _____ $T = 180 \text{ days}$
4a. You have agreed to borrow \$50 and after six months pay back \$58. How much interest are you paying? What is the interest rate?		4b. If you borrow \$800 at 18% for 11 months, how much total interest will you pay?	

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- 5) Scott gets a student loan to go to college after high school. If, after four years of university, he pays \$750 in interest at a rate of 3%, how much must the loan have been for originally?
- 6) Taylor has just won \$4250 from a small lottery and decides to invest all of it. If he makes \$1275 with a 5% interest rate, how long must he have had the money invested?
- 7) At what rate would you need to invest \$12000 to make \$2880 after 8 years?
- 8) What will be the Future Value of an investment of \$5000 if it has an interest rate of 7% and is invested for 20 years?
- 9) Morgan has an investment worth \$130 000 after 20 years. If his original investment was for \$50 000 what must the interest rate have been?