9.8a Simple Interest – Day One

Name _____

Directions: Complete each exercise using the interest formula:

> $I = prt$
>
> **Interest = principal × rate × time**
> $ \qquad \qquad $ \$ $\qquad$ \$ $\qquad$ % $\qquad$ years

1) $50 at 10% for 4 years

My work shown here: _____

Interest = _____

Balance of the account = _____ + _____ = _____
$\qquad \qquad \qquad \qquad$ principal $\qquad \qquad \qquad$ interest

2) $100 at 8% for 3 years

My work shown here: _____

Interest = _____

Balance of the account = _____ + _____ = _____
$\qquad \qquad \qquad \qquad$ principal $\qquad \qquad \qquad$ interest

3) $450 at 4% for <u>6 months</u>

My work shown here: _____

Interest = _____

Balance of the account = _____ + _____ = _____
$\qquad \qquad \qquad \qquad$ principal $\qquad \qquad \qquad$ interest

4) $1500 at 6% for <u>4 months</u>

My work shown here: _____

Interest = _____

Balance of the account = _____ + _____ = _____
$\qquad \qquad \qquad \qquad$ principal $\qquad \qquad \qquad$ interest

Directions: Complete each exercise using the interest formula:

$$I = prt$$

Interest = principal × rate × time
$ $ % years

Circle the statement that is true then prove your answer on the line provided.

5) **a.** $600 saved at 7% interest rate for _2_ years earns $84 interest.

b. $600 saved at 7% interest rate for _3_ years earns $84 interest.

c. $600 saved at 7% interest rate for _4_ years earns $84 interest.

How do you know? (Show how you checked on your calculator.)

_____

6) **a.** $2000 saved at _7.5%_ interest rate for 5 years earns $980 interest.

b. $2000 saved at _8.1%_ interest rate for 5 years earns $980 interest.

c. $2000 saved at _9.8%_ interest rate for 5 years earns $980 interest.

How do you know? (Show how you checked on your calculator.)

_____

7) **a.** $700 saved at 6% interest rate for _6_ **months** earns $63 interest.

b. $700 saved at 6% interest rate for _18_ **months** earns $63 interest.

c. $700 saved at 6% interest rate for _24_ **months** earns $63 interest.

How do you know? (Show how you checked on your calculator.)

_____