

# SIMPLE OR FLAT INTEREST

## SKILLS QUESTIONS

Remember that TIME is in YEARS.

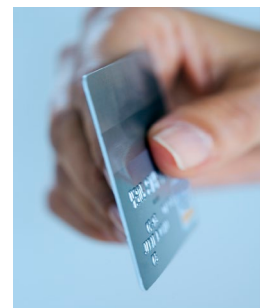
Q1. Complete the table using the formula for Simple Interest.

	P	R	T	Interest (\$)	Amount (\$)
Example	\$ 500	8%	3 years	$I = P \times R \times T$ $= 500 \times \frac{8}{100} \times 3$ $= \$120$	$A = P + I$ $= 500 + 120$ $= \$620$
(a)	\$ 200	10%	3 years		
(b)	\$500	5%	2 years		
(c)	\$129	3.5%	5 years		
(d)	\$1200	6%	10 years		
(e)	\$2487	7.5%	4 years		
(f)	\$4500	6.25%	5 years		
(g)	\$5983	7.125%	9.25 years		
(h)	\$890	8.2%	6.5 years		
(i)	\$562	6 $\frac{1}{4}$ %	4 years		
(j)	\$4000	8 $\frac{3}{4}$ %	3 years		
(k)	\$5200	12 $\frac{7}{8}$ %	5.5 years		
(l)	\$365	6 %	24 months		
(m)	\$3000	12%	6 months		
(n)	\$952	15%	18 months		
(o)	\$1005	8 $\frac{1}{4}$ %	30 months		

Q2. Bob borrowed \$20 000 from a finance company for a car. The terms of the contract were 8.5% p.a. flat interest over 4 years.

- (a) How much interest did Bob pay?  
 (b) What is the total amount paid for the car?

Q3. Mani owes \$500 on his credit card's monthly bill. If the simple interest rate is 15% p.a., how much must he pay?  
 (Hint: One month = 1/12 year.)



Q4. Nicole borrowed \$2400 from a finance company for 6 months at 8% p.a. interest. How much did she have to repay the finance company?

# ANSWERS

Q1. (a) 260

(b) 550

(c) 151.58

(d) 1920

(e) 3233.10

(f) 5906.25

(g) 9926.17

(h) 1364.37

(i) 702.50

(j) 5050

(k) 8882.25

(l) 408.80

(m) 3180

(n) 1166.20

(o) 1212.28

Q2. (a) \$6800

(b) \$26800

Q3. \$506.25

Q4. \$2496