

Simple Interest Homework

Name

Key

$$I = PRT$$

$$B = P + I$$

1. Tyrone borrowed \$12,000 to buy a car at a 9.5% simple interest rate for five years. What is the total amount that he will pay back for this car?

$$9.5\% = .095$$

$$I = 12000 (.095)(5) = 5700$$

$$12000 + 5700 = \$17700$$

2. What is the balance on an account that started with a \$2400 principal at 15% simple interest after 4 years.

$$15\% = .15$$

$$I = 2400 (.15)(4) = 1440$$

$$2400 + 1440 = \$3840$$

3. Craig earn 3.5% interest on his savings account each year. if Craig deposits \$1500 into the account, how much interest will Craig earn during the first year?

$$3.5\% = .035$$

$$I = 1500 (.035)(1) = \$52.50$$

4. What is the amount of interest earned on \$2500 at a simple interest of 8% for 10 years?

$$8\% = .08$$

$$I = 2500 (.08)(10) = \$2000$$