Simple interest

6 questions | 12 marks

Equivalent correct methods earn the corresponding marks.

1. Interest on AUD 4800 at 3.5% simple interest for 2 years? [2 marks]

$4800 \times 0.035 \times 2 = 336.$

Answer: AUD 336.00

2. Final amount on AUD 1800 at 5% simple interest for 18 months? [2 marks]

$I = 1800 \times 0.05 \times 1.5 = 135.$

$A = 1935.$

Answer: AUD 1,935.00

3. Find the principal earning AUD 144 in 2 years at 4.5% simple interest. [2 marks]

$P = \frac{144}{(0.045 \times 2)} = 1600.$

Answer: AUD 1,600.00

4. Time for AUD 2000 to earn AUD 350 at 7% simple interest? [2 marks]

$t = \frac{350}{(2000 \times 0.07)} = 2.5.$

Answer: 2.5 years

5. Annual simple rate when AUD 3600 earns AUD 81 in 9 months? [2 marks]

$r = \frac{81}{(3600 \times 0.75)} = 0.03.$

Answer: 3%

6. Using 365 days/year, find interest on AUD 7300 at 5% for 40 days. [2 marks]

$I = \frac{7300 \times 0.05 \times 40}{365} = 40.$

Answer: AUD 40.00