Name _____Key_____ Date _____ Pd ____

11.1 Solving Simple & Compound Interest DAY THREE CYU

CONCEPTS	BASIC	INTERMEDIATE	ADVANCED
Solving Compound Interest Problems	1 - 4		
Solving Simple Interest Problems	5 - 8		

Use the compound interest formula ($A = P(1 + r)^t$) to solve the following problems.

1. Find the rate r at which $3000 compounded annually grows to $4320 in 2 years.

    20%

2. Find the rate r at which $800 compounded annually grows to $882 in 2 years.

    5%

3. Find the rate at which $15,000 compounded annually grows to $16,224 in 2 years.

    4%

4. Find the rate at which $2000 compounded annually grows to $2880 in 2 years.

    20%

Use the simple interest formula (I = Prt) to solve the following real-world problems.

5. A bank is offering 2.5% simple interest on a saving account. If you deposit $5000, how much interest will you earn in one year?

$125

6. To buy a car, Jessica borrowed $15,000 for 3 years at an annual simple interest rate of 9%. How much interest will she pay if she pays the entire loan off at the end of the third year? What is the total amount that she will repay?

$4,050
$19,050

7. Nancy invested $6000 in a bond at a yearly rate of 3%. She earned $450 in interest. How long was the money invested?

2.5 years

8. Mr. Johnson borrowed $8000 for 4 years to make home improvements. If he repaid a total of $10,320, at what interest rate did he borrow the money?

7.25%