OppU

Simple Interest Worksheet

The formula for simple interest is:
I = PRT

1. Alexander needs money for a necessary medical expense. He takes out a personal loan of $2,000 with a one-year term and an annual simple interest rate of 5%. How much interest will Alexander owe if he pays the entire loan by the end of the first year?

2. Tamara's parents invested in a bond when she was born to help pay for her education. Her parents invested $10,000 at a yearly non-compounding simple interest rate of 2.5%.
What will the total amount in the account be by the time she is 18 years old?
How much will her parents' investment earn in simple interest?

3. OppU Bank is offering a savings account for new customers with an unbelievably high simple interest rate for only one year. Mo jumps on the chance and deposits $500. If the total amount in his account is $800 after the year, what interest rate did OppU Bank offer?

4. Troy owes his friend, Lee, $60 for a ticket to a rock concert they attended last semester. Lee reminds Troy that they agreed to a yearly interest rate of 4%. By the time Troy pays Lee back, he owed $1.20 in interest. How long did it take Troy to reimburse his friend?

5. Safia opens a new savings account with a 2.25% non-compounding simple interest rate. She deposits $3,500 and earned $3,696.88 total by the time she checks the account again. How long was the money left untouched in the savings account?

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6. Jacqueline took out a personal line of credit in her senior year of college with an annual simple interest rate of 4%. She takes 51 months to pay off the loan in full and pays $1,530 in interest. How much was the original line of credit amount? How much did Jacqueline pay total?

7. Mr. Jackson made a one-time deposit of $57,000 into his credit union's retirement account when he was 25 years old. The account has a non-compounding annual simple interest rate of 3.35%. If Mr. Jackson checks this retirement account when he is 72 years old, how much will he have earned in interest? What will be the total amount in his credit union retirement account?

8. Lianne's car broke down the weekend before she started a new job. She borrowed $880 from her parents, at an annual interest rate of 3%, to quickly pay for the car repairs. If Lianne paid her parents a total of $893.20 in six months, how much simple interest did she pay?

9. Rie invested her work bonus in a bond with a monthly simple interest rate of 0.8%. The bond earned her $5,016 total, of which $2,016 was interest. How many years was the money invested?

10. Gabriel asked to borrow $420 from his roommate, Julian, to purchase new electronics after his laptop stopped working. Julian agreed and told Gabriel that they could figure out an interest rate later. Gabriel paid Julian a total of $426.93 at the end of six months. What was the simple annual interest rate that Gabriel ended up paying his roommate?

Answers: 1. I = $100 2. T = $14,500 I = $4,500 3. r = 60% 4. t = 6 months 5. t = 2 years 6 months 6. P = $9,000 T = $10,530 7. I = $89,746.50 T = $146,746.50 8. I = $13.20 9. t = 7 years 10. r = 3.3%