



SIMPLE INTEREST

1. If \$2000 is invested at 6.75% p.a. simple interest for 3 years. How much interest will be earned over the 3 years?
2. Smithy has taken out a business loan for \$12000 to be repaid over 36 months at a rate of 8.5% p.a. simple interest. How much will he pay in interest in the first year of the loan?
3. Paddy deposited \$1500 in a Super Saver bank account. This account is paying a simple interest rate of 2.9% p.a. If he leaves it in that account with no further deposits or withdrawals, what will be the amount in that account in 15 months? Round to the nearest cent.
4. Find the principal borrowing amount:
 - A – At 7% over 5 years, the interest amount is \$2000
 - B – At 5.2% over 6 years, the interest amount is \$4820
 - C – At 6.75% over 10 years, the interest amount is \$5283
5. Missy has received \$188000 in total simple interest payments on an investment of \$420000 that she made 7 years ago. What per annum rate of simple interest has the borrowing institution been providing?



6. Phil has a balance of \$8600 on his credit card. If he pays off the debt (including interest) over 18 months with the simple interest rate is 7.25%, how much will he pay each month?
7. Drew is paying \$574.20 each month onto his credit card debt. If his balance is \$12058.20, how long will it take him to pay off the debt?
8. Tammy has cut up her credit card. She is paying \$433.65 each month and has worked out that it will take her exactly 17 months to pay off her debt. What is the total amount of her credit card debt?
9. Brodie lives off the interest on his investments which has a fixed simple interest rate of 5.5%. From that investment he receives \$89000 simple interest each year. How much money must Brodie have invested?
10. Tess has \$1350000 invested with an financial institution. She lives off the 6.2% interest every year. How much does she earn per annum from this investment?