



Name _____ Date _____

Simple Interest (Pages 353–356)

Interest is the amount paid or earned for the use of money.

<p>Using the Simple Interest Formula</p>	<p>In the formula for simple interest, $I = prt$,</p> <ul style="list-style-type: none"> • I is the interest, • p is the amount of money invested, or principal, • r is the annual interest rate, and • t is the time in years.
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EXAMPLES

- A** Find the simple interest for \$650 at 11% for 4 months.

Use the formula $I = prt$. Notice that the time, 4 months, is $\frac{1}{3}$ of a year.

$$I = 650(0.11)\left(\frac{1}{3}\right)$$

$$I = \$23.83$$

- B** Find the simple interest for \$545 at 9.5% for 18 months.

Use the formula $I = prt$. Notice that the time, 18 months, is 1.5 years.

$$I = 545(0.095)(1.5)$$

$$I = \$77.66$$

Try These Together

1. Find the simple interest for \$175 at 12% for 1.5 years.

HINT: $r = 0.12$

2. Find the simple interest for \$820 at 6.5% for 16 months.

HINT: Notice that the time is $\frac{16}{12}$ or $1\frac{1}{3}$ years.

PRACTICE

Find the simple interest to the nearest cent.

3. \$98 at 9.25% for 3 years
4. \$340 at 12% for 1.25 years
5. \$318 at 8.75% for 6 months
6. \$420 at 9% for 6 months
7. \$514 at 10% for 2 years
8. \$816 at 7% for 9 months

Find the total amount in each account to the nearest cent.

9. \$839 at 21% for 1 year
10. \$325 at 8.5% for 1 year
11. \$120 at 9% for 9 months
12. \$100 at 2.5% for 3 months
13. \$672 at 5.5% for 2 years
14. \$300 at 6.45% for 15 months
15. \$400 at 4% for 6 months
16. \$230 at 7.35% for $1\frac{1}{2}$ years



- 17. Standardized Test Practice** What is the simple interest on \$1,000 at 8% for 2 years?

A \$1,600

B \$160

C \$40

D \$20

Answers: 1. \$315.00 2. \$71.07 3. \$27.20 4. \$51.00 5. \$13.91 6. \$18.90 7. \$102.80 8. \$42.84 9. \$1,015.19 10. \$352.63 11. \$128.10 12. \$100.63 13. \$745.92 14. \$324.19 15. \$408.00 16. \$255.36 17. B