# 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]

$4800\times0.035\times2=336$.

**Answer:** AUD 336.00

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

$I=1800\times0.05\times1.5=135$.

$A=1935$.

**Answer:** AUD 1,935.00

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

$P=144/(0.045\times2)=1600$.

**Answer:** AUD 1,600.00

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

$t=350/(2000\times0.07)=2.5$.

**Answer:** 2.5 years

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

$r=81/(3600\times0.75)=0.03$.

**Answer:** 3%

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

$I=7300\times0.05\times40/365=40$.

**Answer:** AUD 40.00