Practice worksheet | Financial mathematics

Checking whether a model's answer makes practical sense

Name: _____ Date: _____

6 questions | 13 marks

1. A principal of 400 dollars at 5% simple interest for 2 years is said to earn 4,000 dollars. Correct it. [2 marks]

2. For an annual interest formula, convert 9 months to years. [2 marks]

3. Interest is 28 dollars on a 350-dollar principal. Find the final amount. [2 marks]

4. A ticket equation gives counts 4 and 11, but only 8 places are available. Which count is feasible? [2 marks]

5. A charge is 7.50 dollars per item. Find the total for 3 items and report it to cents. [2 marks]

6. A model assumes no booking fee, but the venue charges one. Explain how to improve the cost model. [3 marks]