Name _____ Class _____ Date _____

Practice 6-5

Simple Interest

Graph the total *simple* interest earned for each account over 5 years.

1. $1,300 at 6.9%

2. $11,500 at 12.50%

3. $450 at 3%

Find the simple interest earned in each account.

4. $2,000 at 4% for 6 months

_____

5. $10,000 at 10% for 2 years

_____

6. $500 at 3% for 3 months

_____

7. $25,000 at 4.25% for 5 years

_____

Compare the loans.

8. Compare two loans for $5,000. The 5-year loan has a 5% simple interest rate. The 6-year loan has a 4% simple interest rate. Which loan costs less? _____

9. You want to borrow $2,000. You can get 3-year loan with a 15% simple interest rate or a 5-year loan with a 10% simple interest rate. Which loan costs less? _____

10. You want to borrow $720. You can get a 2-year loan with an 8% simple interest rate or a 1-year loan with a 15% simple interest rate. Which loan costs less? _____

Solve.

11. You invest $5,000 in an account earning simple interest. The balance after 6 years is $6,200. What is the interest rate?

_____

12. Suppose you have $300 to invest. One bank offers an annual simple interest rate of 4.5% for a 3-year investment. Another bank offers an annual simple interest rate of 6.8% for a 2-year investment. Which account will earn you more money?

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