MA 110 Simple Interest
Section 3-1

1. If $6000 is loaned for 7 months at a rate of 7.8% simple interest, how much interest is earned?

2. A loan of $3500 is made at 8.6% simple interest for 2 years. What is the total amount to pay back the loan?

3. A loan is made at 8.2% simple interest for 12 weeks. The interest on the loan is $11.35. What was the amount of the loan?

4. A loan is made at 9% simple interest for 10 months. The total amount to pay back the loan is $5912.50. How much was originally borrowed?

5. A check for $3122.50 was used to retire a 5-month $3000 loan. What annual rate of interest was charged?

6. What annual interest rate is earned by a 26-week T-bill with a maturity value of $3000 that sells for $2843.60?

7. A loan company advertises that you only pay 8 cents per day for each $100 borrowed. If a person borrows $500 for 90 days, what amount must the person repay and what annual simple interest rate is the loan company actually charging? (Use a 360-day year.)

Answers: 1. $273 2. $4102 3. $599.80 4. $5500
5. 9.8% 6. 11% 7. 28.8%