

INTEREST WORKSHEET

Nov. 11, 2009

NAME _____

Show all work on this paper.

Find the simple interest for the following problems. The rate is an annual rate unless otherwise stated.

1. A principal of \$30 at a rate of 8% for 1 year.
2. A principal of \$225.75 at a rate of 12.5 % for 6 months.
3. A principal of \$17,852 at a rate of $1\frac{3}{4}\%$ per month for 4 years/

Compute the amount and the interest earned for each investment in problems 4-9.

4. \$2000 for 2 years at 5% compounded annually.
5. \$1500 for 3 years at 6% compounded semiannually.
6. \$800 for 1 year at 16% compounded quarterly.
7. \$2000 for 2 years at 6% compounded monthly.
8. \$2000 for 2 years at 6% compounded quarterly.

9. \$2000 for 2 years at 6% compounded semiannually.
10. Compare problems 7-9 and explain the difference.
11. Determine the amount and the interest on \$1000 with interest compounded semiannually for ten years at the following rates.
- a. 2%
 - b. 4%
 - c. 8%
 - d. Is there a predictable outcome when the rate is doubled?
12. Show the effective annual yield of a 6.77% interest rate compounded monthly is 6.98%.