

Name: \_\_\_\_\_

1. Use the following abbreviations to write the formula that can be used to calculate simple interest.

$SI$  = simple interest  
 $P$  = principal (original amount)  
 $R$  = interest rate  
 $T$  = term

$SI =$

2. Calculate the amount of simple interest that would be earned if \$8000 is invested at an annual interest rate of 8.5% for 5 years.

3. \$6000 is borrowed for 3 years at an annual simple interest rate of 7.25%. Find the total amount of money that needs to be repaid.

4. Use the following abbreviations to write the formula that can be used to calculate compound interest.

$A$  = amount investment is worth at the end of the time period  
 $P$  = the principal invested  
 $R$  = the percentage interest rate  
 $T$  = the time period

$A =$

5. \$8000 is invested for 5 years earning compound interest of 7.4% p.a. compounded **annually**. Find the value of the investment after the 5 years.

6. \$15 000 is invested for 3 years earning compound interest of 8.64% p.a. compounded **monthly**. Find the value of the investment after the 3 years.

7. \$800 is owed on a credit card that has an annual interest rate of 18.5% that is compounded **daily**. Calculate the the interest accumulated in 30 days.

8. Pete estimated the dimensions of a rectangular block of land to be 45 m  $\times$  65 m. The block was measured to be 48.5 m  $\times$  72.5 m. Find the percentage error of the actual area and the area using Pete's estimates. Give answer correct to one decimal place.