Name_____ Date _____

6.7 Practice A

An account earns simple interest. (a) Find the interest earned. (b) Find the balance of the account.

1. \$200 at 3% for 5 years

2. \$750 at 8% for 2 years

3. \$1600 at 5% for 1 year

4. \$500 at 12% for 6 months

Find the annual interest rate.

5. $I = \$18$, $P = \$150$, $t = 6$ years

6. $I = \$164.50$, $P = \$940$, $t = 2.5$ years

Find the amount of time.

7. $I = \$72$, $P = \$600$, $r = 4\%$

8. $I = \$174$, $P = \$1450$, $r = 8\%$

9. You deposit \$350 in a savings account. The account earns 2.5% simple interest per year. What is the balance after 2 years?

Find the amount paid for the loan.

10. \$1000 at 8% for 5 years

11. \$3500 at 10% for 2 years

12. You deposit \$2000 in a savings account earning 5% simple interest. How long will it take for the balance of the account to be \$3800?

13. Your parents charge a family ski trip of \$3000 on a credit card.

a. The simple interest rate is 20%. The charges are paid after 6 months. What is the amount of interest paid?

b. What is the total amount paid for the ski trip?

14. Your parents could have taken out a loan for the ski trip in Exercise 13.

a. The simple interest rate is 6% and the time for the loan is 2 years. What would have been the total amount paid for the \$3000 ski trip?

b. What would be the monthly payment, if there were equal monthly payments?

c. Which loan option costs less, the credit card or the loan?

15. You deposit \$1200 in an account earning 8% simple interest.

a. What is the account balance after 1 year?

b. At the end of the first year, you deposit the balance of the account in a CD (certificate of deposit) earning 8% simple interest. What is the account balance after another year?