

Simple Interest, Compound Interest Comparison and Financial Maths

Year 10 · Number · y10-percent-of-amount

Name: _____

Date: _____

Class: _____

Score: ____ / ____

Instructions

Answer every question in Practice. Try the Challenge section once Practice is complete. 10 questions in total.

Practice

1. Find the simple interest on £2000 at 5% per year for 3 years, using $I = PRT/100$.

2. A car worth £12,000 depreciates by 8% per year. Find its value after 1 year.

3. £1500 is invested at 4% simple interest for 5 years. Find the total amount (principal + interest) after 5 years.

4. £1000 grows at 5% compound interest for 4 years. Find the total amount after 4 years, to the nearest penny.

5. A loan of £5000 is charged 6% simple interest per year. How much total interest is paid over 3 years?

6. Simple interest = Principal $\times$ Rate $\times$ Time $\div$ 100. Find the simple interest on £3000 at 6% per year for 4 years.

7. Compound interest grows faster than simple interest because it earns interest on interest. £2000 at 5% simple interest for 3 years gives £300 interest. Find the compound interest on £2000 at 5% for 3 years, to the nearest penny.

8. A saver deposits a total of £1200 over a year, then invests the total for 1 year at 3% simple interest. Find the interest earned in that one year.

Challenge

1. £5000 is invested at 4.5% compound interest for 3 years. Find the total interest earned, to the nearest penny.

2. £2000 is invested for 2 years. Option A pays 6% simple interest. Option B pays 5.5% compound interest. Find how much more interest Option A earns than Option B, to the nearest penny.
