

Simple Interest 114

$$I = P \times r \times t$$

I → Interest
 P → Principle (Starting amount/price)
 r → Rate (% - Written as a decimal)
 t → time in years

Nov 1-9:42 AM

To Find Interest: Just Multiply

To Find the total amount: Add Interest & principle

Time in years practice:

6 months = $\frac{1}{2}$ year	4 months: $\frac{4}{12}$ or $\frac{1}{3}$
1 month: $\frac{1}{12}$	8 months: $\frac{8}{12}$

Nov 1-9:55 AM

Jenny puts \$1,560 into a savings account. The account pays 2.5% simple interest. How much will she earn in 3 years?

$$I = prt$$

$$I = 1560 \cdot 0.025 \cdot 3$$

$$I = \$117$$

Nov 1-9:44 AM

Marcos invests \$760 into a savings account. The account pays 4% simple interest. How much interest will he earn after 5 years?

$$I = prt$$

$$760 \cdot 0.04 \cdot 5$$

$$\$152$$

Nov 1-9:45 AM

Mrs. Hanover borrows \$1,400 at a rate of 5.5% per year. How much simple interest will she pay if it takes 8 months to repay the loan?

$$I = prt$$

$$1400 \times .055 \times \frac{8}{12}$$

$$51 \frac{1}{3} \leftarrow \text{Not } \$$$

$$\boxed{\$51.33}$$

Nov 1-9:45 AM

An office manager charged \$425 worth of office supplies on a credit card. The credit card has an interest rate of 9.9%. **How much money will he owe** at the end of one month if he makes no other charges on the card and does not make a payment?

$$I = prt$$

$$425 \times 0.099 \times \frac{1}{12}$$

$$I = \$3.51$$

$$+ 425$$

$$\boxed{\$428.51}$$

Nov 1-9:45 AM