

Percent: Simple Interest Word Problems—Practice

$$I = prt$$

I = interest r = rate of interest
 p = principal t = time (in years)

1. What is the simple interest on a principal of \$4800.00 at 9% for 2 years?
2. \$1050.00 was invested. After one year at 8% interest, how much money is earned on the account?
3. \$6500.00 is invested. After one year, the total amount in the account is \$7280.00. What was the interest rate on the account?
4. \$2500.00 is borrowed at 6% interest for one year. What is the pay off on the loan?
5. \$2600.00 is invested. At the end of one year there is \$2873.00 in the account. What was the rate of interest?
6. Find the interest on a \$1000.00 bond paying an annual rate of 7.5% for ten years.
7. Find the interest rate on a Certificate of Deposit that accumulated \$129.00 in interest in one year on a principal of \$1500.00.
8. You borrow \$15,000 for 6 months. You agree to pay back principal plus interest in one lump sum. The interest is 13%. What is your payment?
9. Find the total interest you earn on a \$1000.00 Corporate Bond that matures in five years and has a 9.5% interest rate.
10. What is the interest rate on a Certificate of Deposit that pays \$60.00 per year on a principal of \$750.00?
11. How much was invested (what was the principal) if \$60 was earned in interest after one year when the interest rate was 5%?

Answer Key

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1. \$864
2. \$84
3. 12%
4. \$2,650
5. 10.5%
6. \$750
7. 8.6%
8. \$15,975
9. \$475
10. 8%
11. \$1,200