

Simple Interest

EXAMPLE

Chen lends \$3,500 to his sister, Mai, who pays him 5% simple interest each year. At the end of three years Mai will pay back the loan. What is the total amount repaid?

Step 1 Find the Interest

$$\begin{aligned} \text{Recall } I &= P \times R \times T \\ I &= \$3,500 \times .05 \times 3 \\ &= \$525 \end{aligned}$$

Step 2 Find the total amount repaid.

$$\begin{array}{r} \$3,500 \\ + \quad 525 \\ \hline \$4,025 \end{array}$$

Directions Complete the chart. Round amounts to the nearest cent.

	Principal	Rate	Years	Interest	Total Amount Repaid
1.	\$200	6%	2		
2.	\$1,500	3%	4		
3.	\$2,500	9%	5		
4.	\$1,750	7%	3		
5.	\$1,400	5%	4		
6.	\$800	6%	2		
7.	\$23,000	8%	6		
8.	\$1,500	7.0%	3		
9.	\$10,000	6.5%	7		
10.	\$6,000	9.2%	5		
11.	\$5,000	8.10%	4		
12.	\$10,000	6.125%	10		
13.	\$1,500	7.500%	3		
14.	\$2,500	9.090%	2.5		
15.	\$13,000	5.560%	10.5		
16.	\$8,000	8.135%	8.5		
17.	\$5,000	8.234%	4.5		

