Date ____________________ Name __________________

9.1 Simple Interest Assignment

Show all your work.

1. Merv deposits $200.00 into an account for 5 years earning 3% per year.
   a. Calculate the amount of simple interest.

   b. Does Merv keep the interest or pay it? Explain.

2. Deanna borrows $130.00 from a relative to help buy some items for her dance project. Deanna is charged 1% interest per year and has 2 years to pay the money back.
   a. Calculate the amount of simple interest?

   b. Who received the interest amount? How much money will that person receive?

3. Determine the simple interest earned on a $1200.00 investment with a 2% interest rate per year,
   a. after the following time periods:
      i. 26 weeks
      iii. 39 weeks
      ii. 2 months
      iv. 24 months

   b. How long will it take to double?

4. Find the missing information.
    a. What principal invested at 5% simple interest per year will earn $100 in interest at the end of 2 years?

    b. What interest rate will allow $2000 to earn $120 interest in 2 years?

    c. How much time will you need to invest $1000 at a rate of 1% per year to earn $100 in interest?

5. The balance at the end of 8 years on an investment of $230 that was invested at a rate of 3% is $285.20. What is the interest amount?

6. Rich wants to save $1000 to buy a motorcycle. He receives $500 for his birthday and decides to purchase a GIC. The bank offers GICs at a simple interest rate of 2%.
    a. How much will he have after 1 year?
    b. after 2 years?

    c. How long will it take for Rich's investment to double and he can buy his bike?

    d. Suggest a better strategy for Rich to reach his goal.

7. What amount of money, invested at 5% interest, will earn $100 interest in 4 years?

8. What interest rate will allow $2000 to earn $120 interest in 5 years?

9. How long will it take $1000 to earn $150 at an interest rate of 1%.

10. Complete the table to determine Lisa's term deposit options for $2500 she plans to invest.

Term	Simple Interest Rate	Interest Earned	Investment Value
1 year	2.45% simple interest		
2 year	3.05% simple interest		
3 year	3.8% simple interest		