Simple Interest Calculations

Name: _____ Date: _____

📘 **Formula to Remember:**

$$I = P \times R \times T$$

Where: **I** = Interest, **P** = Principal (starting amount), **R** = Rate (as a decimal), **T** = Time (in years)

Total Amount = Principal + Interest

Part A: Calculate the Simple Interest

Show your working out for each question.

1. Sarah deposits $500 in a savings account that earns 4% interest per year. How much interest will she earn after 3 years?

Working: _____

Interest = $ _____

2. A loan of $2,000 has an interest rate of 6% per year. Calculate the interest charged after 2 years.

Working: _____

Interest = $ _____

3. Ben invests $1,200 at 5% per year for 4 years. How much interest does he earn?

Working: _____

Interest = $ _____

Part B: Calculate the Total Amount

Find the interest first, then add it to the principal to find the total amount.

4. Mia borrows $800 at 7% interest per year for 3 years. What is the total amount she must repay?

Interest: _____

Total Amount = $ _____

5. A savings account has $1,500 invested at 3% per year for 5 years. What will be the total amount in the account?

Interest: _____

Total Amount = $ _____

Part C: Challenge Questions

6. Tom wants to earn $180 in interest. He has $1,500 to invest at 6% per year. How many years must he invest for?

Working: _____

Time = _____ years

7. A loan of $2,500 at 8% per year accumulates $600 in interest. For how long was the money borrowed?

Working: _____

Time = _____ years