

## Simple Interest - Word Problems

- 1) Teresa borrowed \$12,500 from a credit union. The loan was offered at 2% simple interest per year. If the time required to repay the loan was  $3\frac{3}{4}$  years, find the interest paid.

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- 2) Reggie received \$16,700 in commission on a major business deal. He invested the money in bonds that earned 7% simple interest per year. How much money will Reggie

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- 3) Ellen loans her friend \$10,000 at 5% simple interest per year. The interest is not compounded. How much interest will she receive after 2 years?

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- 4) Laura invests \$5,500 in a bank account that earns 3% simple interest per year. How much interest will she receive after 5 years?

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- 5) When Juliet was 18 years old, she was left with a \$75,500 inheritance from her grandma. Her parents deposited the amount into an account with an annual simple interest rate of 6%. How much will the account have in  $10\frac{1}{2}$  years?

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## Simple Interest - Word Problems

- 1) Teresa borrowed \$12,500 from a credit union. The loan was offered at 2% simple interest per year. If the time required to repay the loan was  $3\frac{3}{4}$  years, find the interest paid.

**\$937.50**

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- 2) Reggie received \$16,700 in commission on a major business deal. He invested the money in bonds that earned 7% simple interest per year. How much money will Reggie

**\$2**

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- 3) Ellen loans her friend \$10,000 at 5% simple interest per year. How much interest will she have to pay after 6 years? The interest is not compounded. What is the total amount she will have to pay?

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- 4) Laura invests \$5,500 in a bank account that earns 3% simple interest per year. How much interest will she have earned after 10 years? The interest is not compounded. How much money will she have in the account after 10 years? The interest is earned on the original amount.

**\$65.25**

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- 5) When Juliet was 18 years old, she was left with a \$75,500 inheritance from her grandma. Her parents deposited the amount into an account with an annual simple interest rate of 6%. How much will the account have in  $10\frac{1}{2}$  years?

**\$123,065**

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