

Simple Interest NOTES:

7th Grade Math

Name _____

Key

Simple Interest Formula $I = P * R * T$

Complete the following problem. Show all your work!

1. Lauren deposits \$620 into an account that earns 4% simple interest per year. What is the total amount in the account after 4 years?

$$I = \$620 \cdot .04 \cdot 4$$

$$I = \$99.2$$

$$\text{Total} \rightarrow \$620 + \$99.2 = \boxed{\$719.2}$$

2. Bret borrowed 10,000 from the bank at rate of 9% simple interest per year. How much interest did he pay in 5 years?

$$I = \$10,000 \cdot .09 \cdot 5$$

$$\boxed{I = \$4,500}$$

3. Adam owes \$38,000 in students loans for college. The interest rate is 7.25% and the loan will be paid off over 10 years. How much will Adam pay altogether?

$$I = \$38,000 \cdot .0725 \cdot 10$$

$$I = \$27,550$$

$$\text{Total Loan} \rightarrow \$38,000 + \$27,550 = \boxed{\$65,550}$$