

# Simple Interest Quiz

Name: \_\_\_\_\_ Date: \_\_\_\_\_

## Directions

Choose the best answer for each question. Use the simple interest formula when needed:

$$I = Prt$$

Where:

- I = interest
- P = principal
- r = annual interest rate (decimal)
- t = time in years

1. Maria deposits \$1,200 into a savings account that earns 4% simple interest for 3 years. How much interest will she earn?

- A. \$48
- B. \$96
- C. \$144
- D. \$1,344

2. A credit union offers a simple interest loan of \$5,000 at 6% for 2 years. What is the total interest paid?

- A. \$300
- B. \$600
- C. \$700
- D. \$1,200

3. Jamal borrows \$800 for 18 months at 5% simple interest. How much interest will he owe?

- A. \$40
- B. \$50
- C. \$60
- D. \$72

4. A small business owner invests \$10,000 at 3% simple interest for 5 years. What is the total amount after 5 years?

- A. \$11,000
- B. \$11,500

- C. \$12,000
- D. \$13,000

**5.** Tanya earns \$225 in simple interest after investing \$1,500 for 3 years. What was the annual interest rate?

- A. 3%
- B. 4%
- C. 5%
- D. 6%

**6.** A worker takes out a \$2,400 appliance loan at 7% simple interest for 1 year. What is the total repayment amount?

- A. \$168
- B. \$2,400
- C. \$2,568
- D. \$2,700

**7.** Carlos invests \$900 and earns \$81 in simple interest over 2 years. What was the annual interest rate?

- A. 3%
- B. 4.5%
- C. 5%
- D. 9%

**8.** A car repair loan charges 8% simple interest on \$3,500 for 9 months. How much interest is charged?

- A. \$140
- B. \$175
- C. \$210
- D. \$280

**9.** Monica deposits \$2,000 in a savings account at 2.5% simple interest for 4 years. What is the total amount in the account at the end?

- A. \$200
- B. \$2,050
- C. \$2,200
- D. \$2,500

**10.** A contractor borrows \$12,000 for 6 months at 10% simple interest. What is the interest owed?

- A. \$600
- B. \$1,000
- C. \$1,200
- D. \$1,800

**11.** Rosa earned \$360 in simple interest from an investment of \$4,000 at 3% interest. How long was the money invested?

- A. 2 years
- B. 3 years
- C. 4 years
- D. 5 years

**12.** A payday alternative loan charges 12% simple interest on \$500 for 6 months. What is the interest charge?

- A. \$25
- B. \$30
- C. \$50
- D. \$60

**13.** Kevin invests \$7,500 at 4% simple interest. How much interest will he earn in 2 years?

- A. \$300
- B. \$450
- C. \$600
- D. \$900

**14.** A family borrows \$15,000 for home repairs at 5% simple interest for 3 years. What is the total repayment amount?

- A. \$2,250
- B. \$15,750
- C. \$17,250
- D. \$18,000

**15.** A student loan of \$6,000 earns simple interest at 4.5% for 4 years. How much total interest will accumulate?

- A. \$540
- B. \$720
- C. \$1,080
- D. \$1,350

## Answer Key

1. C. \$144
2. B. \$600
3. C. \$60
4. B. \$11,500
5. C. 5%
6. C. \$2,568
7. B. 4.5%
8. C. \$210
9. C. \$2,200
10. A. \$600
11. B. 3 years
12. B. \$30
13. C. \$600
14. C. \$17,250
15. C. \$1,080