

11U8: Formative Quiz F23

Formulas:

Simple Interest: $I = Prt$, $A = P(1 + rt)$

Compound Interest:

Future Value

$$A = P(1 + i)^n$$

Present Value

$$P = \frac{A}{(1 + i)^n}$$

Annuities

$$FV = \frac{R[(1 + i)^n - 1]}{i}$$

$$PV = \frac{R[1 - (1 + i)^{-n}]}{i}$$

Multiple Choice

Indicate your choice for each question..

- _____ 1. Kevin invests \$725 at 5.2%/a simple interest. What is the total amount in Kevin's account at the end of 5 years?
- | | |
|-------------|--------------|
| a. \$188.50 | c. \$913.50 |
| b. \$189.50 | d. \$2610.00 |
- _____ 2. What is the interest earned on \$6500 at 8% simple interest for 9 months?
- | | |
|----------|-----------|
| a. \$390 | c. \$4860 |
| b. \$520 | d. \$6890 |
- _____ 3. Sabine borrows \$2300 for 36 months at a fixed rate of simple interest. At the end of the time, she owes \$2748.50. What interest rate is she being charged?
- | | |
|-----------|------------|
| a. 4.9%/a | c. 12.5%/a |
| b. 6.5%/a | d. 29.9%/a |

