Name Date

Practice A

6.7

An account earns simple interest. (a) Find the interest earned. (b) Find the balance of the account.

 1. $200 at 3% for 5 years 2. $750 at 8% for 2 years

 3. $1600 at 5% for 1 year 4. $500 at 12% for 6 months

Find the annual interest rate.

 5. ** 6. **

Find the amount of time.

 7. ** 8. **

 9. You deposit $350 in a savings account. The account earns 2.5% simple interest per year. What is the balance after 2 years?

Find the amount paid for the loan.

 10. $1000 at 8% for 5 years 11. $3500 at 10% for 2 years

 12. You deposit $2000 in a savings account earning 5% simple interest.
How long will it take for the balance of the account to be $3800?

 13. Your parents charge a family ski trip of $3000 on a credit card.

 a. The simple interest rate is 20%. The charges are paid after 6 months. What is the amount of interest paid?

 b. What is the total amount paid for the ski trip?

 14. Your parents could have taken out a loan for the ski trip in Exercise 13.

 a. The simple interest rate is 6% and the time for the loan is 2 years.
What would have been the total amount paid for the $3000 ski trip?

 b. What would be the monthly payment, if there were equal monthly payments?

 c. Which loan option costs less, the credit card or the loan?

 15. You deposit $1200 in an account earning 8% simple interest.

 a. What is the account balance after 1 year?

 b. At the end of the first year, you deposit the balance of the account in
a CD (certificate of deposit) earning 8% simple interest. What is the account balance after another year?

Name Date

Practice B

6.7

An account earns simple interest. (a) Find the interest earned. (b) Find the balance of the account.

 1. $2600 at 3.2% for 4 years 2. $75,000 at 8.5% for 3 months

Find the annual interest rate.

 3. ** 4. **

Find the amount of time.

 5. ** 6. **

Find the amount paid for the loan.

 7. $20,000 at 7.5% for 10 years

 8. $6000 at 12% for 2.5 years

 9. You deposit $2000 in an account. The account earns $120 simple interest in 8 months. What is the annual interest rate?

 10. You put money in two different accounts for one year each. The total simple interest for the two accounts is $140. You earn 6% interest on the first account, in which you deposited $1000. You deposited $800 in the second account. What is the annual interest rate for the second account?

 11. You deposit $1200 in an account.

 a. The account earns 2.7% simple interest rate. What is the balance of the account after 3 months?

 b. The interest rate changes, and your new balance now earns 2% simple interest rate. What is the balance of the account after the next 6 months? Round to the nearest penny, if necessary.

 c. The interest rate changes again, and your new balance now earns 2.6% simple interest rate. What is the balance of the account after an additional 3 months? Round to the nearest penny, if necessary.

 d. How much did the account earn in simple interest for the year?

 e. Based on the interest in part (d), what is the actual simple interest rate for the year? Round to the nearest tenth of a percent.

 12. You purchase a new guitar and take out a loan for $450. You have 18 equal
monthly payments of $28 each. What is the simple interest rate for the loan?
Round to the nearest tenth of a percent, if necessary.