

Name:

Exam Style Questions

## Simple Interest



Equipment needed: Calculator, pen

### Guidance

1. Read each question carefully before you begin answering it.
2. Check your answers seem right.
3. Always show your workings

Video Tutorial

[www.corbettmaths.com/contents](http://www.corbettmaths.com/contents)

Video 236a



Answers and Video Solutions



1. James invests £200 for 1 year in a bank account.  
The account pays simple interest at a rate of 3% per year.



Work out the total amount of money in the account at the end of the year.

£.....  
**(2)**

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2. Sami invested £400 for 2 years at 5% per year simple interest.



Work out the total interest Sami gets.

£.....  
**(3)**

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3. Carolyn invested £700 for 3 years at 2% per annum simple interest.



Work out the total amount of interest Carolyn earned.

£.....  
**(3)**

4. £2700 is invested for 2 years at 5% per year simple interest.



Work out the total interest.

£.....

**(3)**

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5. Faith invests £800 for 3 years in a bank account.



The account pays simple interest at a rate of 0.4% per year

Work out the total amount of interest Faith has got at the end of the 3 years.

£.....

**(3)**

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6. Nina invested £1500 for 4 years at 2.5% per annum simple interest.



Work out the total amount of money in the account at the end of 4 years.

£.....

**(3)**

7. Mary invests £8000 in an account paying 1.2% simple interest each year.



Calculate the amount of money in her account after 2 years.

£.....

**(3)**

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8. £12500 is invested for 5 years at 1.1% per year simple interest



Work out the total interest.

£.....

**(3)**

9. Jonah invests £400 in a bank account that pays 3.5% simple interest per year.



At the end of each year Jonah spends  $\frac{3}{5}$  of the interest and gives the rest to his brother.

How much money does Jonah give to his brother each year?

£.....

(4)

10. Evie is saving up to buy a guitar that costs £109.



She opens an account at Corbett Bank that pays 3% per annum simple interest.

She puts £800 into the account.

Evie does not make any deposits or withdrawals.

After how many whole years will Evie have earned enough interest to buy the guitar?

.....

(4)

11. Johanna invests £800 for 20 years in a bank account paying simple interest. At the end of the 20 years, she has earned £320 interest.



Work out the annual rate of interest.

.....%  
**(3)**

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12. Percy invests £2000 for 4 years in a savings account that pays simple interest. At the end of the 4 years, Percy has £2140 in the account.



Work out the annual rate of simple interest.

.....%  
**(3)**

13. Solomon wants to invest £600 for 3 years.



**Corbett Bank**  
2% per annum simple interest

**Banks'R'us**  
Simple interest at the rate of  
2.5% for the first year  
1% for the following years

Which bank should Solomon choose?

.....  
(4)

14. Laura invests £2400 in an account that pays 1.2% simple interest per annum.  
She invests the money for 5 years.



At the end of each year Laura gives the interest to her two sisters, Hannah and Freya in the ratio 3:7

How much money does Freya receive in total?

£.....  
(5)

15. Jaxon invests £3000 in a bank account that pays 2% simple interest per year. He invests the money for 7 months.



Calculate the amount of interest Jaxon earns.

£.....

**(3)**

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16. Nicole invested some money for 3 years into an account that pays 2% per year simple interest.



She earned £7.20 interest in total.

How much money did Nicole originally invest?

£.....

**(3)**



17. Noah invests some money in an account that pays 1.5% per year simple interest for 4 years.



George invests the same amount of money in an account that pays  $y\%$  per year simple interest for 3 years.

At the end of their investments, Noah and George both had the same amount of money in their accounts.

Work out the value of  $y$ .

.....  
(4)

18. Luisa plans to invest £600 in a savings account for 3 years.  
She visited two banks and made some notes on the interest rates they offered.



Bank A offers simple interest of 0.8%, rounded to one decimal place.

Bank B offers simple interest of 0.7%, truncated to one decimal place.

Luisa says that she will earn more money if she invests her money in Bank A.

(a) Explain why she may be wrong.

.....  
.....  
.....  
.....

**(2)**

Bank C offers simple interest of 0.9%

(b) Work out the total amount of interest Luisa will earn if she invests in Bank C

£.....

**(3)**