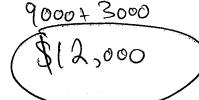
NI		
Name		_

Date

Mr. Tallman

Do Now

Cindy makes \$9,000 per month plus a 10% commission on everything she sells. If Cindy sold \$30,000 worth of items in January, what was her total salary for January?



Lesson #42 - Simple Interest

When you deposit money in a savings account, your money usually earns <u>interest</u>

When you **borrow** money, you must pay back the original amount of the loan plus the interest.

Deccent of the principal **Simple Interest** is a fixed (the original amount deposited or borrowed).

Simple Interest Formula

Interest = (Principal)(Rate)(Time)

Percent

I = (P)(R)(T)

Example 1) Bubba needs to take out a loan for \$2,450. The company that he received a loan from has an interest rate of 7%. If Bubba pays off his loan in 2.5 years, how much

interest was on the loan? Interest: X

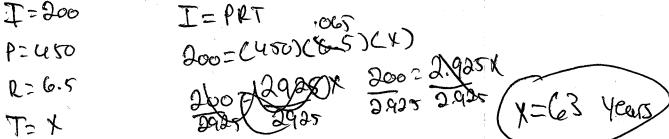
P: 2450

year. How much	interest is she charged for 4 years? W	hat is the total	amount she has to
pay back?	I=PRT	Upontan	7 \$480
]=X	V= (400)(.05)(4)	-00 / 60	7 4 180
1=400	X= C-100,7		
1=51.	Y=\$80		
	X-40		

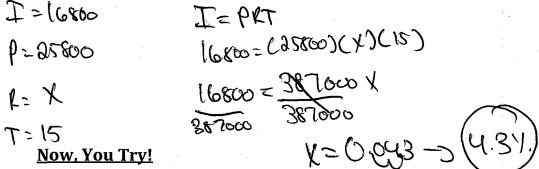
Example 2) Sally borrows \$400 on a 4-year loan. She is charged 5% simple interest per

T=4

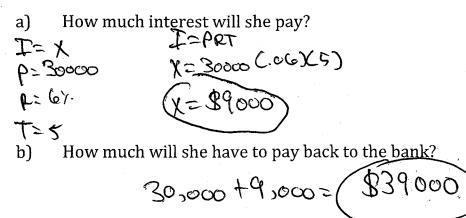
Example 3) Mrs. Williams wants to know how long it will take an investment of \$450 to earn \$200 in interest if the yearly interest rate is 6.5%, paid at the end of each year.

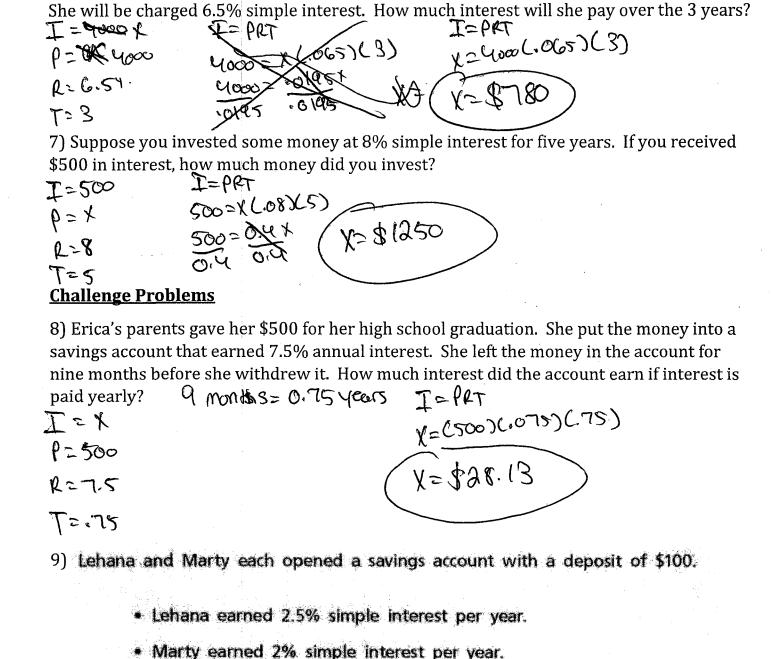


Example 4) Joe's savings account was \$25,800 in 2000. By 2015, he earned 16,800 in interest. What was the interest rate?



5) Julia took out a \$30,000 loan to purchase a car. She has to pay a simple interest rate of 6% each year. She borrows the money for 5 years.





6) Adrianna gets a loan for \$4,000 to buy a car. It will take her 3 years to pay off the loan.

How much more did Lehana receive in interest than Marty after three years? Lehena T=PRT T=PRT T=100(.025)(3) T=100(.025)(3)

Neither of them made additional deposits or withdrawals.

