

Simple Interest



Simple Interest.

1. £3000 is invested at 5% simple interest.

a) How much interest will be earned in 2 years?

b) How much interest will be earned in 4 years?

c) How much will the investment be worth after 4 years?

2. Don invests £800 at 3% simple interest.

a) How much will his investment be worth after 3 years?

b) If Don decides to invest £1600 instead of £800 at the same interest, will his investment have doubled in size? Explain your answer.



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3. Tommy invests £1500 at 2% simple interest for 4 years.

His sister Annie, invests £1200 at 3.5% simple interest for 3 years.

a) Who will have made more interest on their investments?

b) Whose investment will be the largest?



Answers



Simple Interest.

1. £3000 is invested at 5% simple interest.

a) How much interest will be earned in 2 years? £300

b) How much interest will be earned in 4 years? £600

c) How much will the investment be worth after 4 years? £3600

2. Don invests £800 at 3% simple interest.

a) How much will his investment be worth after 3 years? £872

b) If Don decides to invest £1600 instead of £800 at the same interest, will his investment have doubled in size? Explain your answer.

Yes £1744 is double £872



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3. Tommy invests £1500 at 2% simple interest for 4 years. £1620

His sister Annie, invests £1200 at 3.5% simple interest for 3 years. £1326

a) Who will have made more interest on their investments? Annie will have with £126 compared to Tommy's £120

b) Whose investment will be the largest? Tommy with £1620

