



Interest = Principal x rate x time

$$I = Prt$$

Jeff wants to invest \$7500.00.  
His bank offers an investment option that earns **simple interest** at a rate of 3.25% per year. How much interest will you earn on your investment in 5 years

$$I = Prt$$

$$I = (7500.00)(0.0325)(5)$$

$$I = \$1218.75$$

Lesley's bank offers a simple interest rate of 3.8% per annum. How much interest would Lesley earn on her investment of \$5200 after 7 months.

$$I = Prt$$

$$I = (5200) (0.038) \left(\frac{7}{12}\right)$$

$$I = (5200) (0.038) (0.583)$$

Time  
in  
years!!

$$I = \$115.20$$

$$\#115.27$$

George invests \$1500.00. His bank offers an investment option that earns simple interest at a rate of 5% per annum. If George wants to make \$525.00, how many years was the money invested?

$$I = Prt \quad \text{1st}$$

$$525 = (1500)(0.05) t$$

$$\frac{525}{75} = \frac{t(75)}{75}$$

$$7 = t$$

$$t = 7 \text{ years}$$

The simple interest earned on a deposit is \$50 with interest rate of 5% per annum. If the money was invested for 4 years, what is the principal?

$$I = Prt$$

$$50 = P(0.05)(4)$$

$$\frac{50}{0.2} = \frac{P(0.2)}{0.2}$$

$$250 = P$$

$$P = \$250.00$$

The interest earned on a deposit is \$600.00. If \$5000.00 was invested for 4 years, at what rate was the interest calculated?

$$I = Prt$$

$$600 = (5000) r (4)$$

$$\frac{600}{20000} = \frac{20000}{20000} r$$

$$0.03 = r$$

$$r = 0.03$$

$$r = 0.03 \times 100$$

$$r = 3\%$$

