

## Math 9 Section 2.2 – Simple Interest

Homework: Section 2.2 on Pg. 62; #1all, 4abcd

Principal: \_\_\_\_\_

Interest: \_\_\_\_\_

Final Amount (Future Value) = \_\_\_\_\_ + \_\_\_\_\_

Simple Interest Formula:

$$I = P \cdot r \cdot t$$

I =

P =

r =

t =

### Example #1:

If you borrow \$100 at 5% interest for 1 year:

- How much interest do you owe?
- What is the final amount you have to pay back?

### Example #2:

If I invest \$380 (my iPod money) at 7.5% interest for 4 years (until the end of high school), what is the final amount I have in my account?

**Example #3:**

If you invest \$12,300 at 8.1% for 8 months:

- a) How much interest do you earn?
- b) What is the final amount you have in your account?

**Example #4:**

If you borrow \$890 at 12.7% for 73 days, what is the final amount you have to pay back?