WORKSHEET

Simple interest – Buying on terms

17	19

1	9	6

13	5	17	10	3

18	8	6	15	7	13	17	9	10

17	2

18	12	11	18	10	2	17	4	18

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13	16	1

17	14	10	9	16	7	10	15	18

Derek Bok

Work out the answers to the questions below, rounding percentages to one decimal place. The solutions will give you the corresponding letter to place in the cells above.

Rule

Simple or flat rate interest can be calculated using the following formula:

$$I = \frac{Prn}{100}$$

Where P = principal of loan

r = interest rate as a percentage

n = time in years

Questions

1 Ashleigh bought a $700 fridge. She paid a 20% deposit and arranged finance for the outstanding amount at 15% flat rate interest over 2 years. How much interest did Ashleigh pay?

2 What was the total amount Ashleigh paid for the fridge?

3 If Ashleigh made monthly payments for the fridge, how much was each payment?

4 Matthew bought an $8050 entertainment unit. He was not required to pay a deposit and had 5 years to pay it off at 22% simple interest. How much interest did Matthew pay?

5 What was the total amount Matthew paid?

6 Matthew paid in weekly instalments. How much was each instalment?

7 Brooke borrowed $5990 to go on an overseas holiday. She paid flat rate interest of 9% and made equal monthly repayments over 2 years. What was the total amount Brooke paid for the holiday?

8 How much were her monthly repayments?

9 Andrew bought an $18 000 pool on finance with a $3000 deposit. He also borrowed the 3% commission charged. Andrew was charged 17% simple interest over 4 years, with equal weekly repayments. How much were Andrew's weekly repayments?

10 What was the total amount he paid for the pool?

11 Susan wants to buy a new $3700 computer system. She has a $500 deposit and can arrange finance at a flat rate of 26% over 3 years. What is the total amount Susan pays for the computer?

12 How much are Susan's monthly repayments?

13 Brad buys a new $28 900 Holden Commodore. The extra charges are $480 registration and third party, $720 comprehensive insurance, $289 stamp duty and 5% commission for the dealer. Brad has $8000 but must borrow the remaining amount at 19% flat rate interest over 5 years. What is the total price of the car before interest?

14 How much interest does Brad pay?

15 How much are his monthly instalments?

16 Alexandra has saved $20 000 and wants to buy a $180 000 house by the beach. She borrows the extra costs of $900 stamp duty, $700 conveyancing, $2350 mortgage insurance and a $600 establishment fee. Alexandra is able to obtain finance of 5% simple interest over 25 years. How much interest does she pay?

17 How much are Alexandra's monthly payments?

18 Anthony puts a $1000 deposit on a new $6000 motorbike. He borrows the remaining amount and extra costs of $400 registration and third party, $520 comprehensive insurance and $60 stamp duty at 12% flat rate interest over 2 years. How much interest does Anthony pay?

19 How much are his weekly instalments?

Solutions

A $7068.20

C $774.61

D $294.51

E $1435.20

F $71.30

G $22 642.30

H $16 905

I $1234.13

K $30.33

N $29 107.20

O $125.52

P $6196

R $205 687.50

S $868

T $31 834

U $65.02

V $8855

X $158.22

Y $168