

## 2-8 Financial Literacy: Simple Interest

**Find the simple interest earned to the nearest cent for the principal, interest rate, and time.**

15. \$500, 3.75%, 4 months

**SOLUTION:**

$$I = prt$$

$$I = 500 \cdot 0.0375 \cdot \frac{4}{12}$$

$$I = 6.25$$

The interest paid after 4 months is \$6.25.

**ANSWER:**

\$6.25

17. \$3,000, 5.5%, 9 months

**SOLUTION:**

$$I = prt$$

$$I = 3,000 \cdot 0.055 \cdot \frac{9}{12}$$

$$I = 123.75$$

The interest paid after 9 months is \$123.75.

**ANSWER:**

\$123.75

**Find the simple interest paid to the nearest cent for the loan amount, interest rate, and time.**

19. \$725, 6.25%, 1 year

**SOLUTION:**

$$I = prt$$

$$I = 725 \cdot 0.0625 \cdot 1$$

$$I = 45.3125$$

The interest paid after 1 year is \$45.31.

**ANSWER:**

\$45.31