Lesson 8 Problem Solving Practice

Financial Literacy

1. **SAVINGS ACCOUNT** How much interest will Hannah earn in 4 years if she deposits $630 in a savings account at 6.5% simple interest?

2. **INVESTMENTS** Terry invested $2,200 in the stock market for 2 years. If the investment earned 12%, how much money did Terry earn in 2 years?

3. **RETIREMENT** Mr. Pham has $410,000 in a retirement account that earns 3.85% simple interest each year. Find the amount earned each year by this investment.

4. **COLLEGE FUND** When Melissa was born, her parents put $8,000 into a college fund account that earned 9% simple interest. Find the total amount in the account after 18 years.

5. **LOTTERY** Raj won $900,000 in a regional lottery. After paying $350,000 in taxes, he invested the remaining money in a savings account at 4.25% simple interest. How much money is in the account if Raj makes no deposits or withdrawals for two years?

6. **SAVINGS** Mona opened a savings account with a $500 deposit and a simple interest rate of 5.6%. If there were no deposits or withdrawals, how much money is in the account after $8\frac{1}{2}$ years?

7. **SAVINGS ACCOUNT** Malik deposited $1,050 in a savings account, and it earned $241.50 in simple interest after four years. Find the interest rate on Malik's savings account.

8. **INHERITANCE** Kelli Rae's inheritance from her great-grandmother was $220,000 after taxes. If Kelli Rae invests this money in a savings account that earns $18,260 in simple interest every year, what is the interest rate on her account?