Extra Chapter 1 Practice

Complete all questions showing all your work and checking that your answers are correct.

1. Rachel invests $6500 at 7.3% **simple interest** for 7 years.
   a. How much interest does she earn?

   Answer: $3321.50

   b. What is the total value of her investment?

   Answer: $9821.50

2. Genevieve invests $3000 at 6.5% **simple interest** and earns $840 in interest. How long was the money invested in years and days?

   Answer: 4 years, 112 days

3. Colleen invets $935 at **simple interest** for 32 weeks. At the end of this time she has $960.89. What was the interest rate?

   Answer: 4.5%

4. Lynn invests $9000 at 18% interest **compounded monthly** for 7 years.
   a. How much is her investment worth?

Answer: $31433.31

   b. How much interest did she earn?

Answer: $22433.31

5. Briana invests some money at 5.2% interest **compounded annually**. After 9 years her Investment has grown to $7058.56. What was the initial investment?

Answer: $4472.75

6. Sonia invests some money at 9.5% interest **compounded daily**. After 4 years she has $1408.73. What was the value of the initial investment?

Answer: $963.42