

**Simple Interest**

*In each problem below, apply the formula  $I = PRT$  to determine an algebraic equation that you can solve to determine the information requested. Be sure to show all work to solve each equation in the proper format!*

[1] Kari deposited \$17,000 into an 18 month certificate of deposit that was paying 4.5% annual interest? How much interest did she earn?

[2] Pragnesh decided to borrow \$5600 to buy a new motorcycle. He took a three year loan at an annual interest rate of 8.5%. Determine the interest, the total payback, and amount of each monthly payment.

[3] Suppose that Pragnesh changed his mind and took a two-year loan (same interest rate) instead. Determine the new amount of interest, total payback, and each monthly payment.

[4] Lauren earned \$32.50 interest from a 30 month certificate of deposit (CD) that paid 6.25% annual interest. How much money did she deposit in the CD originally?

[5] Richard's current credit card balance is \$1740. His bill indicates that this month's finance charge (interest) is \$31.61. What is the annual percentage rate for this credit card?

[6] Brian deposits \$6000 in an account that earns 5.5% simple interest each year. About how long will it be before the total amount he has is \$9000?