SIMPLE – INTEREST

INTRODUCTION

1. **Principal:**

   The money borrowed or lent out for a certain period is called the **principal** or the**sum**.

2. **Interest:**

   Extra money paid for using other's money is called **interest**.

3. Simple Interest (S.I.):

   If the interest on a sum borrowed for certain period is reckoned uniformly, then it is called **simple interest**.

   Let Principal = P, Rate = R% per annum (p.a.) and Time = T years. Then

   (i). Simple Intereest = $\left(\dfrac{P \times R \times T}{100} \right)$

   (ii). P = $\left(\dfrac{100 \times S.I.}{R \times T} \right)$; R = $\left(\dfrac{100 \times S.I.}{P \times T} \right)$ and T = $\left(\dfrac{100 \times S.I.}{P \times R} \right)$.

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SIMPLE – INTEREST

EXERCISE–

1. At what rate of interest 125 Rs would be double in five years-
   (a) 35%   (b) 20%   (c) 15%   (d) None of these
2. The simple interest on a sum of money at 5 % p.a. for 4 years is 500 Rs.The sum is-
   (a) 2500:   (b) 2000:   (c) 1500:   (d) None of these
3. At what rate of interest 625 Rs amount to Rs 703.04 after 3 years-
   (a) 3%   (b) 5%   (c) 4%   (d) None of these
4. What sum of money will amount to Rs.496 in 6 years at 4% -
   (a) Rs 456   (b) Rs 500   (c) Rs 400   (d) None of these
5. If the addition of SI of Rs 600 for 4 years and SI o Rs 600 for 2 years is Rs.180 Find the rate of Interest
   (a) 6%   (b) 4%   (c) 5%   (d) None of these
6. Find the SI on Rs. 1507.25 from 3 July 1998 to 19 November 1998 at 5% per annum –
   (a) Rs 20   (b) Rs 15   (c) Rs 28.90   (d) None of these
7. If a sum of money becomes double in 3 years. Then in what time will it becomes 5 times.
   (a) 12 years   (b) 10 years   (c) 15 years   (d) None of these
8. If a sum of money becomes double in 16 years .Find out the rate of interest.
   (a) 8%   (b) 10%   (c) $6\frac{1}{4}$%   (d) None of these
9. At what rate of interest a sum of money becomes three times in 20 years.
   (a) 10%   (b) 20%   (c) 12%   (d) None of these
10. Find the amount on Rs. 2000 from 1 Feb.2004 to 20 August 2004 at 4% per annum. –
    (a) Rs 2043.93   (b) Rs 5214.15   (c) Rs 2852.90   (d) None of these
11. Rind the SI on Rs. 5000 for 5 years at 5% per annum.
    (a) Rs 1250   (b) Rs 1500   (c) Rs 2500   (d) None of these
12. If Rs.11 becomes Rs 99 in 60 years Rate of interest will be –
    (a) 18%   (b) 10%   (c) $13\frac{1}{3}$%   (d) None of these
13. The interest on a sum of money for 2 years at 5% per annum is Rs.4000 . Find the sum
    (a) Rs 20000   (b) Rs 50000   (c) Rs 25000   (d) None of these
14. If Rs.200 becomes Rs.400 in 3 years in same time Rs. 500 will be –
    (a) Rs 1000   (b) Rs 1500   (c) Rs 3500   (d) None of these
15. Find the SI on Rs 500 for $2\frac{1}{2}$ years at 5% half yearly .
    (a) Rs 160   (b) Rs 150   (c) Rs 500   (d) None of these
16. Find the SI on Rs. 400 for $2\frac{1}{2}$ % at 8 paise per ruppee half yearly .
    (a) Rs 1200   (b) Rs 1250   (c) Rs 3500   (d) None of these
17. Find the SI on RS. 200 for 5 years at 5 paise per rupee.
    (a) Rs. 120   (b) Rs. 50   (c)Rs. 40   (d) None of these

ANSWER SHEET

SIMPLE – INTEREST EXERCISE

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
B	A	C	C	C	C	A	C	A	A	A	C	B	A	B	A	B