

Simple Interest and Compound Interest

Multiple choice questions

- 1) The money borrowed by a borrower from a bank is known as
 - a) principal
 - b) interest
 - c) amount
 - d) rate of interest

- 2) The amount of extra money calculated uniformly on the original principal is known as
 - a) simple interest
 - b) compound interest
 - c) rate of interest
 - d) sum

- 3) A sum of \$1200 has been lent for 1 year at the rate of interest of 15% per annum. The interest will be
 - a) \$1215
 - b) \$1200
 - c) \$1800
 - d) \$180

- 4) A shopkeeper borrowed \$5000 from his friend at the rate of 10% for $2\frac{1}{2}$ years. The amount paid by him
 - a) \$5010
 - b) \$6250
 - c) \$5250
 - d) \$7150

- 5) A sum of \$2000 yields \$400 as simple interest in a year. The rate of interest will be
 - a) 10%
 - b) 20%
 - c) 30%
 - d) 40%

- 6) A man paid back an amount of \$7500 at the rate of interest of 10% for 5 years. The principal will be
- a) \$5000
 - b) \$6000
 - c) \$7000
 - d) \$8000
- 7) If the sum of \$8000 yields \$1200 as simple interest at 3% per annum. The time period will be
- a) 2 years
 - b) 3 years
 - c) 4 years
 - d) 5 years
- 8) The compound interest for \$6000 in 2 years at the rate of 5% per annum
- a) \$600
 - b) \$615
 - c) \$630
 - d) \$650