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