



Use the formula  $I = prt$  to compute the nearest cent.

1. Principal = \$800 rate= 16% time= 1 year
2. Principal = \$1000 rate= 14% time= 1 year
3. Principal = \$2000 rate= 12% time= 6 months
4. Principal = \$750 rate= 15% time= 9 months
5. Principal = \$500 rate= 18% time= 8 months
6. Principal = \$1250 rate=  $12\frac{1}{2}\%$  time= 1 year
7. Principal = \$500 rate=  $10\frac{1}{2}\%$  time= 6 months
8. Principal = \$850 rate=  $14\frac{1}{2}\%$  time= 8 months

Problem solving.

9. Jane borrowed \$1800 for 1 year to buy a car. If the yearly interest rate was  $10\frac{1}{2}\%$ , how much interest would she owe at the end of the year?
10. A.) A motorcycle is on sale for \$1350. A bank will loan 80% of the money. How much money is that?  
  
B.) If the bank will loan the money at 11% for 1 year, how much interest will be charged?
11. John saved \$120 to buy a stereo set. A stereo that generally sells for \$379 is on sale for 25% off.
  - a. How much money will he have to borrow?
  - b. If he borrows the money for 6 months at 12%, how much interest will he pay?