

Example Interest Questions (answers in PowerPoint Simple Interest and Compound Interest 2023)

Q1. A Cabinet- Maker looking to Invest €10,000 for 4 years has been given two options. Which Option should they choose in order to make the most money? **Show all Calculations.**

Option A will give 4% Compound Interest for the first 2 years and then 7% Simple Interest for the following 2 years.

Or

Option B will give 7% Compound Interest for the first 2 years and then 4% Simple Interest for the following 2 years.

Q 2. A Person looking to Invest €5,000 for 4 years has been given two options.

Which Option should they choose in order to make the most money? **Show all Calculations.**

Option A will give 5% Compound Interest for the first 2 years and then 3% Simple Interest for the following 2 years.

Or

Option B will give 2% Compound Interest for the first 2 years and then 7% Simple Interest for the following 2 years.

Q 3. €12,500 was invested at compound interest for 3 years. The first year rate was 4.5%. The second year rate was 4%. The third year rate was 3.5%. • Calculate the final amount and the interest earned.

Q 4. €22,000 was invested at compound interest for 3 years. The first year rate was 5%. The second year rate was 3%. The third year rate was 3.5%. • Calculate the final amount and the interest earned.

Q 5. €22,000 was invested for 4 years. The first two years was at compound interest rate of 3%. The third and fourth year was at a simple interest rate of 3%. • Calculate the final amount and the interest earned.

Q 6. €15,000 was invested for 4 years. The first two years was at compound interest rate of 3.5%. The third and fourth year was at a simple interest rate of 4.5%. • Calculate the final amount and the interest earned.