Compound Interest Worksheet – 2

1. The time after which the interest is added each time to form a new principal is called conversion period. Mark True/ False.

a) True b) False

2. In simple interest, the principal is changing for whole loan period? Mark True/ False.

a) True b) False

3. The additional money paid by the borrower to the money lender in lieu of the money used Is called interest. Mark True / False.

a) True b) False

4. The money borrowed is called Amount. Mark True / False.

a) True b) False

5. In compound interest the principal remains constant every conversion period. Mark True / False.

a) True b) False

6. In compound interest, the principal changes for the whole loan period. Mark True / False.

a) True b) False

7. Compound interest is calculated on the amount of the previous year. Mark True / False.

a) True b) False

8. The interest paid by the banks, post offices, insurance companies is simple interest. Mark True / False.

a) True b) False

9. The time from one specified interest period to the next period is called conversion period. Mark True / False.

a) True b) False

10. Simple interest is calculated on the previous year's amount i.e. (A = P + I). Mark True / False.

a) True b) False

11. How long will it take a certain sum of money to 2 times of itself at $10\frac{1}{2}$ % per annum simple interest?

12. At a certain rate of simple interest Rs. 2050 amounts to Rs. 2399 in 2 years. At the same rate of simple interest, how much would Rs. 40,000 amount to in 3 years?

13. What sum of money invested at 4% per annum simple interest for 2 years produces twice as much interest as Rs. 6200 in 3 years at 6% per annum simple interest?

14. Calculate the compound interest on Rs. 10,000 at 7% per annum for two years.

15. Mr. William borrowed Rs. 18000 from Mr. Joseph at 6% per annum simple interest for 2 years. If Mr. William had borrowed this sum at 6% per annum compound interest, what extra amount would he has to pay?

16. At what rate percent will Rs. 40,000 amount to Rs. 48,400 in 2 years at compound interest?

17. Shimran invested Rs. 50000 in a company, she would be paid interest at 8% per annum compounded annually. Find the amount received by him at the end of 2 years and the interest for the 3rd year.

18. What sum of money will amount to Rs. 3570 in 2 years at 2% per annum compound interest?

19. At what rate percent will Rs. 121,000 amount to Rs. 144,00 in 2 years at compound interest?

20. In what time will Rs. 9,261 amount to Rs. 8,000 at 5% per annum compound interest?