1. Simple interest examples:

(a) $100 at 10% APR simple interest for six months:

(b) $100 at 7% APR simple interest for three months:

(c) $325 at 12% APR simple interest for five months:

2. Electricity bill is $46.40, but you got no money. How much does it cost to:

  (L) Pay it late; bill says this is $48.72

          Bottom line: _____

  (R) Credit card; 48% APR carrying a balance means 4% interest per month

          Bottom line: _____

  (B) Pawn shop; 2% interest per month, plus $5 processing fee

          Bottom line: _____

3. What is the simple (yearly) interest rate if \$100 is loaned for 3 months with \$5 interest due?

4. If the interest rate is 7% simple interest annually and \$9.10 interest is due after three months, how much was loaned?

5. \$100 for six months at 10% compound interest per month (120% APR) accumulates to:

6. \$100 for nine months at 10% compound interest per month (120% APR) accumulates to:

7. \$100 for one year at 10% compound interest per month (120% APR) accumulates to:

8. What would the simple interest rate be to borrow \$100 for one year and pay back the amount in #7? This is the effective rate.