Question Bank

1. **CHOOSE THE CORRECT ANSWER.**

   a. The simple interest on an amount of ₹100 at 1% rate of interest for a period of one year is:

      i. ₹1   ii. ₹10   iii. ₹100   iv. ₹0.1

   b. A man lends ₹100 on a compound interest of 10%, interest compounded annually. The amount at the beginning of the second year is:

      i. ₹100   ii. ₹110   iii. ₹200   iv. ₹121

   c. For the loan mentioned in the previous question, what is the amount at the end of the second year?

      i. ₹100   ii. ₹110   iii. ₹200   iv. ₹121

   d. If the compound interest is 12% per annum and it is compounded quarterly, what is the value of R to be used in the formula $A = (1 + R/100)^n$?

      i. 3   ii. 12   iii. 4   iv. 6

   e. In the previous question, what is the value to be substituted for n to calculate the amount at the end of 18 months?

      i. $\dfrac{3}{2}$ ii. 6   iii. 18   iv. 2

2. **ANSWER THE FOLLOWING.**

   a. Calculate the simple interest on ₹3400 for 3 years at the rate of 9% per annum.

   b. Calculate the simple interest on ₹3650 at the rate of $12\dfrac{1}{2}$% per annum, from 1 March to 20 May. (Hint: Count the day of deposit but do not count the last day).

   c. At what rate of simple interest will ₹3000 earn ₹900 of interest in 2 years?

   d. Find the time in which ₹2000 will become ₹2600 at 9% simple interest per annum.

   e. For a principal of ₹2500, calculate (i) simple interest for 1 year at the rate of 10% (ii) compound interest for 1 year at the rate of 10% per annum, if the interest is compounded half yearly. Use only the simple interest formula.

   f. Using only the simple interest formula, calculate the compound interest on ₹4000 for 9 months at the rate of 12% per annum, interest compounded quarterly. (Round your answer to nearest paise).

   g. Calculate the compound interest on ₹12,000 for 18 months at 8% compound interest, compounded every six months.

   h. Calculate the amount payable on ₹6000 at the rate of 8% p.a. compound interest, compounded quarterly, at the end of 9 months.

   i. A man borrows ₹15,000 from a bank at 14% interest per annum compounded half-yearly. Calculate the amount he has to repay after 5 years. $(1.07)^{10} = 1.9672$.

   j. In what time will ₹3000 amount to ₹5184 at compound interest of 20%?

   k. Find the principal if the amount at the end of 2 years at 10% compound interest is ₹9680.

   l. Find the rate of compound interest at which a principal of ₹1000 will become ₹1210 in 2 years.