

SIMPLE AND COMPOUND INTEREST PRACTICE QUESTIONS

1. A sum of money at simple interest amounts to Rs. 815 in 3 years and to Rs. 854 in 4 years. The sum is:
a. a) Rs. 650 b) Rs. 690 c) Rs. 698
b. d) Rs. 700 e) None of these
2. Mr. Thomas invested an amount of Rs. 13,900 divided in two different schemes A and B at the simple interest rate of 14% p.a. and 11% p.a. respectively. If the total amount of simple interest earned in 2 years be Rs. 3508, what was the amount invested in Scheme B?
a. a) Rs. 6400 b) Rs. 6500 c) Rs. 7200
b. d) Rs. 7500 e) None of these
3. A sum fetched a total simple interest of Rs. 4016.25 at the rate of 9 p.c.p.a. in 5 years. What is the sum?
a. a) Rs. 4462.50 b) Rs. 8032.50 c) Rs. 8900
b. d) Rs. 8925 e) None of these
4. How much time will it take for an amount of Rs. 450 to yield Rs. 81 as interest at 4.5% per annum of simple interest?
a. a) 3.5 years b) 4 years c) 4.5 years
b. d) 5 years e) None of these
5. Reena took a loan of Rs. 1200 with simple interest for as many years as the rate of interest. If she paid Rs. 432 as interest at the end of the loan period, what was the rate of interest?
a. a) 3.6 b) 6 c) 18
b. d) Data inadequate e) None of these
6. A sum of Rs. 12,500 amounts to Rs. 15,500 in 4 years at the rate of simple interest. What is the rate of interest?
a. a) 3% b) 4% c) 5%
b. d) 6% e) None of these
7. An automobile financier claims to be lending money at simple interest, but he includes the interest every six months for calculating the principal. If he is charging an interest of 10%, the effective rate of interest becomes:
a. a) 10% b) 10.25% c) 10.5%
b. d) Data inadequate e) None of these
8. A lent Rs. 5000 to B for 2 years and Rs. 3000 to C for 4 years on simple interest at the same rate of interest and received Rs. 2200 in all from both of them as interest. The rate of interest per annum is:
a. a) 5% b) 7% c) $7\frac{1}{8}\%$
b. d) 10% e) None of these
9. A sum of Rs. 725 is lent in the beginning of a year at a certain rate of interest. After 8 months, a sum of Rs. 362.50 more is lent but at the rate twice the former. At the end of the year, Rs. 33.50 is earned as interest from both the loans. What was the original rate of interest?
a. a) 3.46% b) 4.5% c) 5%
b. d) 6% e) None of these
10. A man took loan from a bank at the rate of 12% p.a. simple interest. After 3 years he had to pay Rs. 5400 interest only for the period. The principal amount borrowed by him was:

- a. a) Rs. 2000 b) Rs. 10,000 c) Rs. 15,000
b. d) Rs. 20,000 e) None of these
11. What will be the ratio of simple interest earned by certain amount at the same rate of interest for 6 years and that for 9 years?
a. a) 1 : 3 b) 1 : 4 c) 2 : 3
b. d) Data inadequate e) None of these
12. A certain amount earns simple interest of Rs. 1750 after 7 years. Had the interest been 2% more, how much more interest would it have earned?
a. a) Rs. 35 b) Rs. 245 c) Rs. 350
b. d) Data inadequate e) None of these
13. A person borrows Rs. 5000 for 2 years at 4% p.a. simple interest. He immediately lends it to another person at $6\frac{1}{4}$ pa for 2 years. Find his gain in the transaction per year.
a. a) Rs. 112.50 b) Rs. 125 c) Rs. 150
b. d) Rs. 150 e) Rs. 167.50
14. What will be the simple interest earned on an amount of Rs.16,800 in 9 months at the rate of $6\frac{1}{4}$ % p.a.?
a. a) Rs.787.50 b) Rs.812.50 c) Rs.860
b. d) Rs.887.50 e) None of these
15. How much time will it take for an amount of Rs.450 to yield Rs.81 as interest at 4.5% per annum of simple interest?
a. a) 3.5 years b) 4 years c) 4.5 years
b. d) 5 years e) None of these
16. A sum fetched a total simple interest of Rs.4016.25 at the rate of 9 p.c.p.a. in 5 years. What is the sum?
a. a) Rs.4462.50 b) 8032.50 c) Rs.8900
b. d) Rs.8925 e) None of these
17. The simple interest on a sum of money will be Rs.600 after 10 years. If the principal is trebled after 5 years, what will be the total interest at the end of the tenth year?
a. a) Rs.600 b) Rs.900 c) 1200
b. d) Rs.1500 e) Data inadequate
18. A sum of money trebles itself in 15 years 6 months. In how many years would it double itself?
a. a) 6 years 3 months b) 7 years 9 months c) 8 years 3 months
b. d) 9 years 6 months e) None of these
19. If the simple interest on a certain sum for 15 months at $7\frac{1}{2}$ % per annum exceeds the simple interest on the same sum for 8 months at $12\frac{1}{2}$ % per annum by Rs.32.50, then the sum (in Rs.) is :
a. a) Rs.3000 b) Rs.3060 c) Rs.3120
b. d) Rs.3250 e) None of these
20. If the annual rate of simple interest increases from 10% to $12\frac{1}{2}$ %, a man's yearly income increases by Rs.12520. His principal (in Rs.) is :

- a. a) 45,000 b) 50,000 c) 60,000
b. d) 65,000 e) None of these
21. An amount of Rs.1,00,000 is invested in two types of shares. The first yields an interest of 9% p.a. and the second, 11% p.a. If the total interest at the end of one year is $9\frac{3}{4}\%$, then the amount invested in each share was :
- a. a) Rs.52,500, Rs.47,500 b) Rs.62,500, Rs.37,500
b. c) Rs.72,500, Rs.27,500 d) Rs.82,500, Rs.17,500
c. e) None of these
22. If a sum of money at simple interest doubles in 6 years, it will become 4 times in :
- a. a) 12 years b) 14 years c) 16 years
b. d) 18 years e) None of these
23. A lends Rs.2500 to B and a certain sum to C at the same time at 7% p.a. simple interest. If after 4 years, A altogether receives Rs.1120 as interest from B and C, then the sum lent to C is :
- a. a) Rs.700 b) Rs.1500 c) Rs.4000
b. d) Rs.6500 e) None of these
24. What should be the least number of years in which the simple interest on Rs.2600 at $6\frac{2}{3}\%$ will be an exact number of rupees?
- a. a) 2 b) 3 c) 4
b. d) 5 e) None of these
25. Mr.Thomas invested an amount of Rs.13,900 divided in two different schemes A and B at the simple interest rate of 14% p.a. and 11% p.a. respectively. If the total amount of simple interest earned in 2 years be Rs.3508, what was the amount invested in Scheme B?
- a. a) Rs.6400 b) Rs.6500 c) Rs.7200
b. d) Rs.7500 e) None of these