



Compare borrowing options using interest rates and fees

1

What is the simple interest in this situation?

Principle = \$400

Rate = 10%

Time = 6yrs

Interest = \$?

A 96

B 240

C 456

D 384

E 192

F 408

2

Given the simple interest formula, how would you solve for Principle?

$$I = PRT$$

$$P = ?$$

A

$$P = \frac{I}{RT}$$

B

$$P = \frac{R}{IT}$$

3

What is the principle in this simple interest situation?

Interest = \$240

Rate = 10%

Time = 4yrs

Principle = \$?

A 540

B 60

C 780

D 360

E 600

F 420

4

What is the rate in this simple interest situation?

Principle = \$900

Interest = \$630

Time = 7yrs

Rate = ?%

A 5

B 6

C 9

D 3

E 13

F 10

5

What is the time in this simple interest situation?

Principle = \$200

Interest = \$20

Rate = 10%

Time = ?yrs

A 8

B 7

C 6

D 1

E 5

F 4

6

Which option is the better loan (the lower total cost)?

Option A: Loan

Principal	\$2,400
Interest Rate	12.7%
Compounding	Weekly
Term	2 years
Fees	None

Option B: Loan

Principal	\$2,400
Interest Rate	11.2%
Compounding	Weekly
Term	2 years
Fees	\$78.89

A A

B B

7

Which option is the better loan (the lower total cost)?

Option A: Loan

Principal	\$550
Interest Rate	3.9%
Term	1 year
Fees	\$11.00

Option B: Loan

Principal	\$550
Interest Rate	6.2%
Term	1 year
Fees	None

A B

B A

8

Which option is the better loan (the lower total cost)?

Option A: Loan

Principal	\$3,350
Interest Rate	10.9%
Compounding	Weekly
Term	2 years
Fees	None

Option B: Loan

Principal	\$3,350
Interest Rate	6.9%
Compounding	Weekly
Term	2 years
Fees	\$286.58

A B

B A



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9

Which option is the better investment (the higher net return)?

Option A: Investment	
Principal	\$1,900
Interest Rate	15.2%
Term	1 year
Fees	None

Option B: Investment	
Principal	\$1,900
Interest Rate	16.7%
Term	1 year
Fees	\$22.80

A B **10**

Which option is the better loan (the lower total cost)?

Option A: Loan	
Principal	\$3,450
Interest Rate	11.5%
Compounding	Monthly
Term	2 years
Fees	\$184.09

Option B: Loan	
Principal	\$3,450
Interest Rate	13.4%
Compounding	Monthly
Term	2 years
Fees	None

A B **11**

Which option is the better investment (the higher net return)?

Option A: Investment	
Principal	\$2,400
Interest Rate	7.5%
Term	1 year
Fees	None

Option B: Investment	
Principal	\$2,400
Interest Rate	8.8%
Term	1 year
Fees	\$28.80

A B **12**

Which option is the better investment (the higher net return)?

Option A: Investment	
Principal	\$1,400
Interest Rate	5.5%
Compounding	Monthly
Term	5 years
Fees	None

Option B: Investment	
Principal	\$1,400
Interest Rate	6.9%
Compounding	Monthly
Term	5 years
Fees	\$123.66

A B