Agenda

- Warm up
- Intro to Simple Interest
- Practice

Warm Up

copy the following steps on a index card,and complete the work in your binder

1. What are the steps for sovling sales tax and tips?
   - Which one do you solve first?

2. What are the steps for solving discount?

3. What are the steps for solving percent of change?

Food bill before tax: $45
Sales tax: 6.8% Tip: 24%

Cost of an oil change: $21.95
Markup: 65%

Original price of a CD: $22.95
Discount: 10%

Simple Interest

I = Prt

The formula for simple interest is: I = P * R * T, where

I = Interest paid (in dollars)

P = Principal amount (the amount of money borrowed)

R = rate (change the percent to a decimal)

T = time (in years)

When the time is given in months or days, it must be converted to years.

STEPS TO SOLVE SIMPLE INTEREST (only 3 steps)

1. Convert percent to decimal
2. Input the infromation given
3. Solve for Unknown

Find the simple interest earned to the nearest cent for each principal, interest rate, and time

$800, 9%, 4 years

$280, 5.5%, 4 years

Step 1: Convert percent (rate) to decimal

Step 2: input what is given

$$I = P \times R \times T$$

Step 3: solve.

$1,150, 7.6%, 5 years

$266, 5.2%, 3 years

Step 1: Convert percent (rate) to decimal

Step 2: input what is given

$$I = P \times R \times T$$

Step 3: solve.

$$I = Prt$$

= $10,500; r = 4% and t = 3 years, find the interest

if you have $2000 balance on your credit card with a 13% finance charge, How much interest will you pay after 2 years?

How much time do you have your money in savings if you have earned $126 in interest at 5% with an initial investment of $1,800?

I = Prt

126 = 1800 × .05 × t

126 = 90t

126 = 90t

90 90

1.4 years = t

Find the amount invested if after 4 years, you earn $3300 in interest at 15%.

$I = Prt$

$3300 = P \times .15 \times 4$

$\frac{3300}{.60} = \frac{.60P}{.60}$

$\$5500 = P$

f you buy a house for $105,000 at a 3% nterest rate, how much interest will you ay on the loan after 15 years?

Simple Interest

Warm up

Castle Learning

7 RP Warm up 2/7/17