Name _____

Darius deposits $600 into a simple interest savings account. After a year, the account balance will be $615. What is the interest rate?

Step 1 Find the interest earned in one year.

$615 - 600 = 15$

Step 2 Use the percent equation.

interest amount = initial deposit • interest rate

$15 = 600 \cdot r$	Substitute.
$15 = 600r$	Simplify.
$\frac{15}{600} = \frac{600r}{600}$	Divide both sides by 600.
$r = 0.025$	Simplify to find the interest rate as a decimal.

The simple interest rate is 2.5%.

Enrique earned $101.40 in interest over 6 years in a savings account that pays 1.3% simple interest per year. How much did Enrique originally deposit?

1. What was the amount of interest earned in one year? Explain how you found your answer.

2. Complete the percent equation below to find how much Enrique initially deposited. Use the interest amount you found in Exercise 1.

interest amount = _____ • initial deposit

_____ = _____ • initial deposit

_____ = initial deposit

On the Back!

3. Tony's deposit earned $40.80 in simple interest over 3 years in an account with an interest rate of 1.7%. How much did Tony deposit?

Copyright © Pearson Education, Inc., or its affiliates. All Rights Reserved.