Math 105 - Finite Mathematics - J-term 2017
Quiz 2
January 6, 2017

Name:_____

Problem 1. *What is the interest (I) earned on an investment of $950 (P) at a simple annual interest rate of 7% (r) over the course of 2 years (t)?*

$$I = \$950(0.07)(2) = \$133$$

Problem 2. *A loan of $4,000 was repaid at the end of 10 months with a check for $4,270. What annual rate of interest was charged?*

$$I = \$270 = \$4000(r)\left(\tfrac{10}{12}\right)$$

$$r = \frac{270(12)}{40000} = 8.1\%$$