**Simple Interest Practice Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Directions: Solve each problem. Write down the compound interest formula you use on each problem.**

1. You deposit $1000 in a savings account with 2.9% interest. What is the value of the account in 12 months?
2. You make a down payment of $4000 on a car. If your interest rate is 3.2% what is the total cost of the car if it takes you 15 years to pay it off?
3. Kelly deposits $325 in an account that earns interest at a rate of 4%. If Kelly doesn’t withdraw or deposit any money, how much will be in the account after 6 years?

4. A man invests $10, 000 in an account that pays 8.5% interest per year.

What is the amount of money that he will have after 3 years?