

Simple Interest and Compound Interest for Railway Exams

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Simple Interest and Compound Interest for RRB Group-D Exams

1) Find the compound interest on the sum of rupees	d) Rs. 8334
10,000 at the rate of 10% for 2 years will be?	4) Find the compound earned on the sum of rupees
a) 2100	6480 for 3 years at the rate of 16.6%?
b) 4200	a) 3254
c) 2000	b) 2710
d) 1800	c) 3810
2) Find the compound interest earned on the sum of	d) None of these
the rupees 64,000 at the rate of 12.5% for 3 years will be?	5) Find the compound interest earned on the sum of rupees 6000 at the rate of 10% compounded half
a) 27125	yearly for 1 year?
b) 28125	a) 610
c) 26125	b) 630
d) 25125	c) 600
3) Find the compound interest earned on the sum of	d) 615
16,000 at the rate of 15% for 3 years?	6) Find the compound interest earned on the
a) Rs. 6587	principle of rupees 12500 at the rate of 16% for 6
b) Rs.4127	months where interest being compounded 3 monthly?
c) Rs.5421	a) 1800
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b) 1080	10) Find the principle (P) if the compound interest
c) 1008	earned is rupees 440 at the rate of 20% for 2 years?
d) None of these	a) 1000
7) Find the compound interest earned at the sum of	b) 2000
rupees 15625 at the rate of 12% for 24 months where	c) 1500
interest is compounded 8 months?	d) 1600
a) 1451	11) Find the Simple interest earned on the principle
b) 1751	of rupees 750 at the rate of 8.5% for 3 years?
c) 1651	a) 181.25
d) 1951	b) 191.25
8) Find the Principle (P) if the compound interest	c) 201.25
earned is rupees 2080 at the rate of 16.6% for 2	d) 200 75
years?	u) 200.75
2) 5460	12) Find the difference between compound and
<i>a)</i> 5400	simple interest earned on the principle of 3600 rupees
b) 5670	at the rate of 16.66% for 2 years?
c) 5760	a) 129600
d) None of these	b) 122500
9) Find the principle (P) if the compound interest is	c) 124500
rupees 840 at the rate of 10% for 2 years?	d) 112600
a) 5000	13) Find the difference between compound and
b) 2000	simple interest earned on the principle of Rs.49000 at
c) 4000	the rate of 14(2/7)% for 2 years ?
d) None of these	a) 2000
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b) 1000	c) 20 : 21
c) 2500	d) Cannot be determined
d) 3000	17) Find the rate of interest, if the interest earned on
14) Find the difference between the compound	the sum is 9/25 times of the amount for three years?
interest of 2 nd and 3 rd year on the sum of rupees	a) 4%
10000 at the rate of 10% for 3 years?	b) 36%
a) 150	c) 12%
b) 220	d) 8%
c) 55	18) Find the rate of interest, if the interest earned on
d) 110	the sum is 8/25 times of the amount for four years?
15) Find the difference between the compound	a) 4%
interest of 2 nd year and simple interest of all the years	b) 32%
on the sum of rupees 10,000 at the rate of 5% for 3	
years?	c) 12%
a) 975	d) 8%
b) 1025	19) Find the rate of interest, if the interest earned on
c) 950	the sum is 4/25 times of the principle for four years?
d) 875	a) 4%
16) Find the ratio of simple interest earned at the rate	b) 8%
of 5% for three year to the compound interest of 2^{nd}	c) 2%
year for the same sum?	d) 1%
a) 20 : 7	20) Find the rate of interest if a sum of 12,167
b) 7 : 20	becomes 15,625 in three years compounded annually?
	a) 8.69% Page 3 of 21



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b) 9%	24) The simple interest on a certain sum of money at
c) 12%	the rate of 5% p.a for 8 years is 840. At what rate of interest the same amount of interest can be received
d) 7%	on the same sum after 5 years?
21) Find the rate of interest if a sum of rupees 6561	a) 14%
becomes 20,736 in four years compounded annually?	b) 15%
a) 30%	c) 10%
b) 66.6%	d) 5%
c) 33.3%	25) What will be the ratio of simple interest earned by
d) 20%	certain amount at the same rate of interest for 3 years
22) Find the rate of interest if a sum of rupees 64	and 6 years?
becomes 729 in 6 years at compounded annually?	a) 2 : 1
a) 20%	b) 1 : 2
b) 75%	c) 3 : 2
c) 25%	d) 2 : 3
d) 50%	26) A sum of money amounts to Rs. 815 in 3 years
23) In how many years, rupees 150 will produce the same interest @ 8% as rupees 800 produce in 3 years@ 4.5%?	and to Rs. 854 in 4 years at simple interest. The sumis;a) 698
a) 6 years	b) 700
b) 12 years	c) 678
c) 9 years	d) 654
d) 3 years	27) At what rate percent of simple interest will a sum of money doubles itself in 6 years?

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a) 6.66%	31) How long it will take a sum of money invested at
b) 16.66%	6% to increase its value by 40%?
c) 12.5%	a) 20/3 years
d) 8.5%	b) 20 years
28) The rate at which a sum becomes 8 times of itself	c) 10/3 years
in 15 years at simple interest will be;	d) Cannot be determined
a) 46.67%	32) A sum of money becomes 5/4 of itself in 2 years
b) 45.5%	then the rate of interest p.a will be;
c) 4.05%	a) 8.5%
d) 40.51%	b) 12.5%
29) The simple interest on a sum of money at 8% per	c) 10%
annum for 4 years is half the sum.The sum is;	d) 15%
a) Cannot be determined	33) If the interest rate is increased for 5% to 7% then
b) 6400	the simple interest on the same sum increases by 200 then find the sum?
c) 640	a) 12500
d) 64	a) 12300
30) At what rate of interest p.a will the simple interest	D) 5000
on the sum be 3/5 of the principle in 10 years?	c) 7500
a) 8%	d) 10000
b) 5%	34) If a sum of rupees 20,000 was given at 12.5% and 8.5% for 1 st and 2 nd year interest respectively then
c) 4%	find the compound interest earned ?
d) 6%	a) 2625

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b) 2562.5	d) 10200.23
c) 4412.5	38) The compound interest on Rs. 20,480 at 20% per
d) 4642.5	annum for 2 years will be?
35) If the compound interest on a sum for 2 years at	a) 1011.20
12.5% p.a is Rs. 510 , the simple interest on the same	b) 9011.20
sum at the same rate for the same period of time will	c) 8011 20
be;	c) 8011.20
a) 980	d) 7011.20
b) 480	39) Find the compound interest on Rs. 16,000 at 20%
6) 480	p.a for 9 months compounded quarterly?
c) 840	a) 2252
d) None of these	b) 2522
36) There is 60% increase in the principle in 6 years	c) 2520
at simple interest. What will be the compound	c) 2520
interest of Rs. 12,000 after 2 years at the same rate?	d) 2540
a) 2520	40) Find the compound interest earned on the sum of
b) 1250	Rs. 5000 at the rate of 5% for 3 years?
c) 2450	a) 788.125
d) 2250	b) 878.125
37) What will be the compound interest on a sum of	c) 781.125
Rs. 25,000 after 3 years at the rate of 12% p.a?	d) 887.125
a) 10123.20	41) In what time will Rs. 1000 becomes 1331 @ 10%
b) 10231.20	p.a compounded annually?
c) 10321.20	a) 2 year
	b) 2.5 years



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c) 3 years	45) If a sum becomes 42 rupees in 1 years and 56 in 3	
1) 2.5	years as simple interest then find the principle	
d) 5.5 years	invested initially?	
42) The difference between Compound Interest and	a) 27 mm and	
Simple Interest on Rs. 1200 for one year at the rate of	a) 57 rupees	
10% p.a half yearly is ;	b) 45 rupees	
a) Rs. 4	c) 55 rupees	
b) Rs. 4	d) 35 rupees	
c) Rs. 3	46) What will the ratio of simple interest earned if the	
d) Rs. 6	same sum was invested in two schemes A and B if the	
	rate being 4% and 5% for 2 and 3 years respectively?	
43) In now many years will the sum of Rs. 800 will	a) 15 : 8	
becomes 968 at the rate of 10% compounded	1.0.15	
annually?	6) 8 : 15	
a) 5 years	c) 6 : 7	
b) 3 years	d) 7 : 6	
c) 4 years	47) If the difference between Compound Interest and	
d) 2 years	Simple Interest for 2 years at the rate of 9% is Rs. 81 then find the Si on the same sum?	
44) If a Principle (P) will becomes 9261 in 3 years and	then find the 51 of the same sum.	
12 167 in 6 years then find the rate of compound	a) 1800	
interest p.a?	b) 3600	
a) 9.52%	c) 900	
b) 12%	d) 5400	
c) 15%	48) If the difference between Compound Interest and	
d) 8.75%	Simple Interest for 2 years at the rate of 11% is Rs. 242 then find the same sum?	

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a) 22000	c) 14000
b) 15000	d) 12000
c) 2000	50) If the difference between Compound Interest and
d) 20000	Simple Interest for 2 years at the rate of 20% is Rs. 100 then find the Si on the same sum?
49) If the difference between Compound Interest and Simple Interest for 2 years at the rate of 16% is Rs.	a) 1200
256 then find the sum?	b) 1000
a) 10000	c) 2000
b) 15000	d) 1500

ANSWERS

1) Answer: A	Solution:		
Solution:	Given		
P = 10,000	P = 64000		
R = 10%	R = 12.5%		
	T = 3 years		
T = 2 years	12.5% = 1/8		
Effective rate $= 10 + 10 + 10*10/100$	Let Principle = $8^3 = 512$		
	Principle = 516		
Effective rate = 21%	First Year	Second Year	Third year
CI = 21% of 10,000	64	64	64
		8	8
CI = 2100			8
2) Answer: A			1
			Dece 9 of

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Compound interest = 64 + 64 + 64 + 8 + 8 + 8 + 1 = 217units

P = 512 units = 64000

1 unit = 125 rupees

Compound Interest = $125 \times 217 = 27125$

3) Answer: D

Solution:

P = 16,000

R = 15% = 3/20

T = 3 years

Let P = 8000 units

Principle = 8000		
First Year	Second Year	Third year
1200	1200	1200
	180	180
		180
		27

P = 8000 units = 16000

1 unit = 2 rupees

Compound Interest = 4167×2

Compound Interest = 8334

4) Answer: C

16.6% = 1/6

Let Principle = 216

Principle = 216		
First Year	Second Year	Third year
36	36	36
	6	6
		6
		1

P = 216 units

216 units = 6480

1 unit = Rs.30

Compound Interest = 127 units

CI= 127 * 30

CI = 3810

5) Answer: D

Solution:

P = 6000

R = 5%

T = 2 years

R = 5% = 1/20

Let P = 400

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Principle = 400			1 unit = 20		
First year	Second year		CI = 54 * 20		
20	20				
	1		CI = 1080		
			7) Answer: D		
P = 400 units			Solution:		
400 units = 6000	1		P = 15,525		
1 unit = 15 rupee	es		R = 4%		
Compound Intere	est = 41 units		T = 3 years		
Compound Intere	est = 41 * 15		R = 4% = 1/25		
Compound Intere	est = 615			Principle	Amount
6) Answer: B			First year	25	26
G - 14 ¹			Second year	25	26
Solution:			Third year	25	26
P = 12500			Total	15625	17576
R = 8%			P = 15,625 units		
T = 2 years		15625 units = 1562	25 rupees		
R = 8% = 2/25		1 unit = 1 rupee			
Let $P = 625$			CI = Amount – Pri	nciple	
Principle = 625		Compound Interest - 17576 15625 - 1051			
First 3 months	Second 3 month	hs	Compound interes	l = 17370 - 13	025 – 1951
50	50		8) Answer: C		
	4		Solution:		
625 units = 1250	0		Rate = $16.6\% = 1/6$	6	

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Let

Principle = 6

Amount = 7

	Principle	Amount	
First year	6	7	Compound In
Second year	6	7	21 units = Rs
Total	36	49	21 units – Ks
			1 unit = $Rs.40$
CI = Amount – Pri	inciple		100 units = R
CI = 49 - 36			10) Answer:
CI = 13 units			Solution:
13 units = 2080 ru	pees		Let Principle
1 unit = 160 rupee	S		Rate = 20%
P = 36 units			Effective rate
P = 36×160			Effective rate
P = 5760			44% = 440 ru
9) Answer: C			1% = 10 rupe
Solution: Rate = 1	0% = 1/10		100% = 1000
Principle = 10 unit	CS .		11) Answer:
Amount = 11 units	5		Solution:
	Principle	Amount	Simple Interes

	Principle	Amount
First year	10	11
Second year	10	11

Total	100	121			
Compound Interes	t = Amount - I	Principle			
Compound Interest	t = 121 - 100				
Compound Interes	t = 21 units				
21 units = Rs. 840					
1 unit = Rs.40					
100 units = Rs.400	0				
10) Answer: A					
Solution:					
Let Principle = 100)%,				
Rate = 20%					
Effective rate = 20 + 20 + 20 * 20 /100					
Effective rate = 44%					
44% = 440 rupees					
1% = 10 rupees					
100% = 1000					
11) Answer: B					
Solution:					
Simple Interest = $(PRT)/100$					
Simple Interest = $(750 \times 8.5 \times 3)/100$					

Simple Interest = 191.25

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12) Answer: A

Solution:

16.66% = 1/6

Let Principle = 36

Principle = 36			
First year	Second year		
6	6		
	1		

Difference of Compound Interest and Simple Interest = 1 unit

1 unit = 3600

Principle = 36 units

Principle = $36 \times 36 \times 100$

Principle = 129600

13) **Answer: B**

Solution:

Rate = 14(2/7)% = 1/7

Let principle = 49 units

Principle = 4		
First year	Second year	
7	7	
	1	

Difference = Compound Interest – Simple Interest

Difference = 1 unit

Principle = 49 units

49 units = 49000

1 unit = 1000

Difference between simple and Compound Interest = 1000

14) Answer: D

Solution:

Principle = 10000				
First year	Third year			
1000	1000	1000		
	100	100		
		100		
		10		

Difference second year and third year =1100 - 1210 = 110 rupees

15) Answer: A

Solution:

Principle = 10000				
First year	Second year	Third year		
500	500	500		
	25	25		
		25		

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		0.75]	Solution:	
Total Simple Interest = 1500			Let Principle = 25 units		
Compound Inte	rest for 2 nd year =	- 525		Si per year $= 8/4 = 2$ units	
		- 525		Rate = $(2/25)*100$	
Difference $= 15$	00 - 525 = 975			\mathbf{R} ate - 8%	
16) Answer: A				Rate = 070	
Solution:				19) Answer: A	
		Comm	aund	Solution:	
	Simple Intere	est Inte	rest	Let Principle = 25 units	
Principle	100	10	0	Simple Interest per year = $4/4$ =	1 unit
Rate	5%	5%	6	Simple Interest = $(P \times R \times T)/100$	
Time	3 year	2 ye	ears	$D_{ata} = (1/25) \times (100)$	
Interest	15%	5.25	5%	Rate = $(1/25) \times 100$	
				Rate = 4%	
Ratio = 15%	5 : 5	.25%		20) Answer: A	
Ratio 20 : 7			Solution:		
17) Answer: C			Principle	Amount	
Solution:		∛12,167	∛15625		
Principle = 25 units			Taking cube root because of tim	he = 3 years	
Simple Interest for three years $= 9$ units			Principle = 23		
Simple Interest per year $= 3$ units			Amount = 25		
Rate = $(3/25)*100$			Compound Interest = 2 units		
Rate = 12%			Rate = $(2/23)*100$		
18) Answer: D			Rate = 8.69%	Page 13 of 21	



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21) Answer: C		Simple Interest = $(150 \times 8 \times T_1) / 100 \dots (1)$	
Solution:		Case: 2	
Principle	Amount	Simple Interest = $(800 \times 4.5 \times 3) / 100 \dots (2)$	
√6561	√20736	According to the condition	
$\sqrt{81}$	$\sqrt{144}$	Simple Interest ₁ = Simple Interest ₂	
9	12	$(150 \times 8 \times T_1) / 100 = (800 \times 4.5 \times 3) / 100$	
3 :	4	$T_1 = 9$ years	
Compound In	terest = 1 units	24) Answer: A	
Rate = $(1/3)^{*1}$	100	Solution:	
Rate = 33.3%		Case 1:	
22) Answer: D		$840 = (P \times 5 \times 8)/100$	
Solution:		P = 1200	
Principle	Amount	Case 2:	
⁶ √64	⁶ √729	$840 = (1200 \times R \times 5)/100$	
2	3	R = 14%	
Compound In	terest = 1 unit	25) Answer: B	
Rate = $(1/2)$ *100		Solution:	
Rate = 50%		Simple Interest = $(P \times R \times T)/100$	
23) Answer: C		Every parameter is same except time.	
Solution:		So the ratio will be directly proportional to their time	
Case: 1		Simple Interest ₁ : Simple Interest ₂ = 1 : 2	

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26) Answer: A	A = 8 units
Solution:	So Simple Interest = 7 units and Time = 15 years
Amount in 3 years = 815	Simple Interest = $(P \times R \times T)/100$
Amount in 4 years = 854	$7 = (1 \times R \times 15)/100$
Interest = 854 - 815	Rate = 46.66%
Interest = 39 rupees/year	29) Answer: A
Interest = 117 rupees	Solution:
Principle = Amount - Interest	Let Sum = P
Principle = 815 - 117	Simple Interest = $P/2$
Principle = 698	Simple Interest = $(P \times R \times T)/100$
27) Answer: B	$P/2 = (P \times 8 \times 4)/100$
Solution:	Cannot be determined
Let Principle = 1 units	30) Answer: D
A = 2 units	Solution:
Compound Interest = 1 unit	Let $P = 5$ units
Simple Interest = $(P \times R \times T)/100$	Simple Interest = 3 units and Time = 10 years
Rate = 100/6	Simple Interest = $(P \times R \times T)/100(1)$
Rate = 16.66%	$3 = (5 \times R \times 10)/100$
28) Answer: A	Rate = 6%
Solution:	31) Answer: A
Let $p = 1$ unit	Solution:

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Let Principle = 100	2% = 200 rupees	
Simple Interest = 40%	1% = 100 rupees	
Time = ?	Principle = 100%	
Rate = 6%	Principle = 10,000	
Simple Interest = $(P \times R \times T)/100$	34) Answer: c	
$40 = (100 \times 6 \times T)/100$	Solution:	
Time = $20/3$ years	Interest Rate ₁ = 12.5%	
32) Answer: B	Interest $Rate_2 = 8.5\%$	
Solution:	Principle = 20,000	
Principle = 4 units	Compound Interest in first year= 2500	
Amount = 5 units	Compound Interest in Second year =1912.5	
Simple Interest = 1 units	Compound Interest (Total) = 4412.5	
Simple Interest = $(P \times R \times T)/100$		
$1 = (4 \times R \times 2)/100$	35) Answer: B	
Rate = 12.5%	Solution:	
33) Answer: D	Rate = $12.5\% = 1/8$	
Solution:	Principle = 64	
Principle = 100%	Principle = 64	
Old rate = 5%	First year Second year	
New rate = 7%	8 8	
Changed rate = 2%		

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Compound Interest = 17 units	Principle = 25000		
17 units = 510 rupees	Interest on	Interest on	Interest on Third
17 units – 510 tupees	First Year	Second Year	year
1 unit = 30 rupees	3000	3000	3000
64 unit = 1920		360	360
			360
Principle = 1920			43.20
Simple Interest = $(P \times R \times T) / 100$	Compound Inte	erest for three years	= 10123.20
Simple Interest = $(1920 \times 12.5 \times 2)/100$	38) Answer: B	5	
Simple Interest = 480	Solution:		
36) Answer: A	Principle = Rs.	20480	
Solution:	Rate = 20%		
Let principle = 100%	Time = 2 years		
Simple Interest = $(P \times R \times T)/100$	Effective rate = $20 + 20 + 20 \times 20/100$		
$60 = (100\% \times R \times 6)/100$	Effective rate = 44%		
Rate = 10%	Compound Interest = 44% of 20480		
Effective interest = $10 + 10 + 10*10/100$	Compound Inte	erest = 9011.20	
Effective interest = 21%	39) Answer: B		
Compound Interest = 21% of 12000	Solution:		
Compound Interest = 2520	Principle = 160	000	
37) Answer: A	Rate = 5%		
Solution:	Time = 3 years		
Sum = 25000		Principle = 1600	00

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Interest on	Interest on	Interest on Third
First Year	Second Year	year
800	800	800
	40	40
		40
		2

Compound Interest = 800 + 800 + 800 + 40 + 40 + 40 + 402 = 2522

40) Answer: A

Solution:

Principle = 5000			
Interest on	Interest on	Interest on Third	
First Year	Second Year	year	
250	250	250	
	12.5	12.5	
		12.5	
		0.625	

Compound Interest = 250 + 250 + 250 + 12.5 + 12.5 +12.5 + 0.625 = Rs.788.125

41) Answer: C

Solution:

P=1000

R=10%

Time=?

Amount =1331 $A=P(1+R/100)^{n}$

 $1331 = 1000(1 + 10/100)^{n}$

 $1331/1000 = (1+1/10)^{n}$

 $(11/10)^3 = (11/10)^n$

3=n

Time=3 years

42) Answer: C

Solution:

Principle = 1200

Rate = 5% = 1/20

Time = 2 years

Principle = 1200		
First year	Second year	
60	60	
	3	

Simple Interest = 120

Compound Interest = 123

Difference = Rs. 3

43) Answer: D

P = 800

A = 968

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R = 10%		Principle= Amount – Simple Interest			
Compound Interest = 168		Principle = 42 - 7			
Effective rate = 21%		Principle invested initially = 35 rupees			
Compound Interest = 21% of 800		46) Answer: B			
Compound Interest = 168			Solution:	А	В
Hence we can say that it will takes 2 years.			Principle	Р	Р
44) Answer: A			Rate	4%	5%
Solution:		Time	2	3	
Р	9261	12167	Interest	8% of P	15% of P
(Initial)	3 years	6 years	A : B = 8 : 15		
	∛9261 :	∛12167	47) Answer: A		
	21 :	23	Solution: Simple	Interest = $9 \times 2 \times P = 18\%$ of	f
Compound Interest = 2 units		P(1)			
Rate = $(2/21)*100$		Taking effective rate for Compound Interest			
Rate = 9.52%		Compound Interest = $9 + 9 + 9*9/100$			
45) Answer: D		Compound Interest = 18.81% of P			
		(2)			
Solution:		Difference = Compound Interest – Simple Interest			
Amount in 1^{st} year = Rs.42		Difference = 0.81%			
Amount become 3^{rd} year= 56		0.81% of P = 81			
Simple Interest for 2 years = 14 rupees		P = 10000			
Simple Interest for 1 year = 7 rupees		Simple Interest = 1800 rupees			

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48) Answer: D	Compound Interest = 34.56% of P
Solution:	Difference = 2.56%
Let $Principle = P = 100\%$	2.56% = 256
Rate = 11%	1% = 100
Simple Interest = 22% of principle	100% = Principle = 10000
Effective rate = $11 + 11 + 11*11/100$	50) Answer: B
Effective rate = 23.21%	Solution:
Compound Interest = 23.21% of P	Let $Principle = P = 100\%$
Difference = 1.21%	Rate = 20%
1.21% = 242	Simple Interest = 40% of principle
1% = 200	Effective rate = $20 + 20 + 20 \times 20/100$
100% = P = 20000	Effective rate = 44%
49) Answer: A	Compound Interest = 44% of P
Solution:	Difference = 4%
Let $Principle = P = 100\%$	4% = 100
Rate = 16%	1% = 25
Simple Interest = 32% of principle	100% = P = 2500
Effective rate = $16 + 16 + 16*16/100$	Simple Interest = 40% of principle
Effective rate = 34.56%	Simple Interest = 1000

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Simple Interest and Compound Interest for Railway Exams

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