Simple Interest and Compound Interest for SSC Exams

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Simple Interest and Compound Interest SSC CGL/CHSL/CPO Tier I Level Exams

1) The compound interest earned in 2 years at the rate of 12% per annum is Rs. 3975 then find the Principle invested?

a) Rs. 15625

b) Rs. 625

c) Rs. 2500

d) None of these

2) If the Simple interest receives 10 years is 30% of the Principle then find the compound interest on the Principle of Rs 12500 for the same rate but for 2 years?

a) Rs. 800

b) Rs. 761.25

c) Rs. 861.25

d) None of these

3) If the simple interest is 12/25 times of a principle for three years then for the same rate and time find the compound interest on the sum of Rs. 17500 for 2 years at same rate?

a) Rs. 6548

b) Rs. 5600

c) Rs. 6048

d) None of these

4) At what rate of interest will the sum becomes double in 12.5 years?

a) 15%

b) 12%

c) 8%

d) 10%

5) At what rate of interest will the sum becomes 7 times in 12 years?

a) 50%

b) 25%

c) 15%

d) None of these

6) In how many years will the sum becomes 5 times of itself at the rate of 5% per annum simple interest?

a) 80 years

b) 50 years

c) 25 years

d) Cannot be determined

7) In how many years will the sum becomes 10 times of itself at the rate of 36% per annum simple interest?

a) 20 years

b) 50 years

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c) 15 years

d) 25 years

8) In how many years will the interest becomes 5 times of principle at the rate of numerical value equals to time?

a) 25 years

b) 15 years

c) 10 years

d) 20 years

9) A sum at simple interest of 8% per annum becomes 7/5th of itself in how many years?

a) 15 years

b) 17.5 years

c) 18 years

d) 20 years

10) If the simple interest on a sum for 3 years at the rate of 12.5% is Rs. 3000 then find the sum invested?

a) Rs. 2400

b) Rs. 3200

c) Rs. 8000

d) Rs. 1600

11) If the difference between the compound and simple interest on a sum for 2 years at the rate of 7% per annum is Rs. 28.98 then find the sum invested?

a) Rs. 4000

b) Rs. 6000

c) Rs. 5000

d) Rs. 2000

12) If the difference between the compound and simple interest on a sum for 3 years at the rate of 10% per annum is Rs. 77.5 then find the sum invested?

a) Rs. 3500

b) Rs. 2500

c) Rs. 4000

d) Rs. 1500

13) Difference between the compound and simple interest on a sum for 2 years at the rate of 5% per annum is Rs. 50 then find the sum invested?

a) Rs. 20,000

b) Rs. 10,000

c) Rs. 15,000

d) Rs. 25,000

14) If the difference between the compound and simple interest on a sum for 2 years at the rate of 6% per annum is Rs. 3.6 then find the sum invested?

a) Rs. 1000

b) Rs. 1500

c) Rs. 2500

d) Rs. 10000

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15) A sum amounts to Rs 7727.104 at the rate of 12% per annum compounded annually after three years. What is the value of principal (in Rs.)?

a) Rs. 5000

b) Rs. 4500

c) Rs. 5500

d) Cannot be determined

16) If the principle invested was Rs. 15000 for 3 years at the rate of 15% then find the compound interest for 3rd year?

a) Rs. 2975.625

b) Rs. 8513.25

c) Rs. 6813

d) None of these

17) If the principle invested was Rs. 12500 for 3 years at the rate of 10% then find the difference between compound interest for 3rd year and 2nd year?

a) Rs. 187.5

b) Rs. 157.5

c) Rs. 137.5

d) Rs. 147.5

18) If the sum invested was Rs. 24500 for 2 years at the rate of 20% then find the compound interest for the 2nd year?

a) Rs. 5880

b) Rs. 9800

c) Rs. 5800

d) None of these

19) Find the compound interest on the sum of Rs. 7500 at the rate of 10% for 1 (2/5) years?

a) Rs. 1080

b) Rs. 2080

c) Rs. 540

d) Rs. 980

20) Find the compound interest on the sum of Rs. 525 at the rate of 6% for 2 1/3 years?

a) Rs. 71.65

b) Rs. 67.65

c) Rs. 76.65

d) None of these

21) Find the difference between compound and simple interest on the sum of Rs. 800 for 2 years at the rate of 10.5% per annum?

a) Rs. 8.8

b) Rs. 10

c) Rs. 8

d) Rs. 10

22) If the ratio of Simple interest to Compound interest for three years is 12 : 13 on the sum of Rs. 1200. Then find the compound interest in rupees?

a) Rs. 233.3

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b) Rs. 33.3

c) Rs. 266.6

d) Cannot be determined

23) If the ratio of Compound interest to Simple interest for 2 years is 37 : 30 then find the compound interest on the sum of Rs. 1500 for 2 years at the same rate of interest per annum?

a) Rs. 1726.3

b) Rs 1400

c) Rs. 2126.3

d) Cannot be determined

24) If the amount received on a certain sum invested for three years at the rate of 10% per annum is Rs. 1331 then find the compound interest received?

a) Rs. 3.31

b) Rs. 662

c) Rs. 33.10

d) Rs. 331

25) If the difference of compound interest received on a certain sum invested for 3rd year and 2nd year at the rate of 15% per annum is Rs. 207 then find the principle invested?

a) Rs. 4000

b) Rs. 5000

c) Rs. 8000

d) Rs. 1200

26) If the amount received on a certain sum invested for 2 years at the rate of 10% per annum compounded annually is Rs. 3025 then find the simple interest on the same sum with all parameters same?

a) Rs. 500

b) Rs. 5000

c) Rs. 250

d) Rs. 2500

27) If the compound interest received on a certain sum for 2 years at the rate of 5% is Rs. 51.25 then find the simple interest on the same sum for same parameters?

a) Rs. 150

b) Rs. 100

c) Rs. 50

d) Rs. 250

28) If the principle invested was Rs. 550 for 2 years and amount received was Rs. 621 then find the rate of Compound interest per annum?

a) 6.25%

b) 6%

c) 6.5%

d) 7%

29) If the principle invested was Rs. 900 for 2 years and amount received was Rs. 1154 then find the rate of Compound interest per annum?

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a) 13%

b) 13.5%

c) 14%

d) 14.5%

30) If the principle invested was Rs. 600 for 3 years and amount received was Rs. 681 then find the rate of Compound interest per annum?

a) 4.5%

b) 5%

c) 5.5%

d) 3.5%

31) If the principle invested was Rs. 1400 for 3 years and amount received was Rs. 1680 then find the Compound interest per annum?

a) 6.5%

b) 5.5%

c) 4.5%

d) 7.5%

32) If the principle invested was Rs. 1540 for 3 years and amount received was Rs. 1780 then find the Compound interest per annum?

a) 5.15%

b) 6.15%

c) 4.15%

d) 3.15%

33) If a certain amount becomes 729 in 3 years and 1331 in 6 years then find the Compound interest per annum?

a) 11.11%

b) 9.09%

c) 18.08%

d) 22.20%

34) If a certain amount becomes 1728 rupees in 3 years and 4096 rupees in 6 years then find the Compound interest per annum?

a) 16.6%

b) 6.6%

c) 15%

d) 12.5%

35) If a certain amount becomes Rs. 1331 in 2 years and Rs. 3375 in 5 years then find the compound interest per annum?

a) None of these

b) 13.3%

c) 14.5%

d) 26.6%

36) If a certain amount becomes Rs. 64 in 2 years and Rs.343 in 5 years then find the compound interest per annum?

a) None of these

b) 25%

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c) 50%

d) 75%

37) Find the compound interest on a sum of Rs. 1800 for 2 4/5 years at the rate of 15% per annum compounded annually?

a) Rs. 776.16

b) Rs. 780.16

c) Rs. 866.16

d) None of these

38) Find the principle invested if the compound interest received for 1(4/5) years at the rate of 10% per annum compounded annually is Rs 470?

a) Rs. 2500

b) Rs. 4700

c) Rs. 4500

d) None of these

39) Find the amount received if the compound interest received for 2(1/5) years at the rate of 10% per annum compounded annually is Rs 234.2?

a) Rs. 1334.2

b) Rs. 1234.2

c) Rs. 2334.2

d) None of these

40) Find the simple interest received if the compound interest received on a certain sum for 3rd years at the rate of 4% per annum is Rs. 676?

a) Rs. 1875

b) Rs. 1975

c) Rs. 1775

d) None of these

41) Find the simple interest received if the compound interest received on a certain sum for 2 years at the rate of 8% per annum is Rs.166.4?

a) Rs 160

b) Rs. 150

c) Rs. 80

d) Rs. 166.4

42) Find the Amount received if the compound interest received on a certain sum for 3 years at the rate of 10% per annum is Rs. 662?

a) Rs. 3310

b) Rs. 1331

c) Rs. 2662

d) Rs. 2665

43) Find the rate of interest if a certain sum grows by 21.75% in 3 years, interest being calculated compounded annually?

a) 6.9%

b) 7%

c) 8%

d) 5.5%

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44) Find the rate of interest if a certain sum grows by 19.25% in 3 years , interest being calculated compounded annually?

a) 6.0%

b) 7.0%

c) 8.0%

d) 9.0%

45) Find the rate of interest if a certain sum grows by 27.75% in 3 years, interest being calculated compounded annually?

a) 8.5%

b) 7.0%

c) 8.0%

d) 6.0%

46) Find the rate of interest if a certain sum grows by 34.45% in 4 years, interest being calculated compounded annually?

a) 7.6%

b) 7.0%

c) 8.5%

d) 6.5%

47) Simple Interest received by a person in 8 years on a principal of Rs 8500 is 120% of the principal. What is the rate of interest (in %) per annum?

a) 14

b) 15

c) 18

d) 13

48) If the difference between the compound interest and simple interest earned at the rate of 10% per annum in 2 years is Rs. 631 then find the amount paid in two years?

a) Rs. 63731

b) Rs. 63000

c) Rs. 63100

d) None of these

49) Find the compound interest on Rs. 10,000 in 2 years at the rate of 20% compounded half yearly?

a) Rs. 4729.90

b) Rs. 1472.90

c) Rs. 4641

d) None of these

50) The compound interest on Rs. 20,000 at 7% per annum is Rs. 2680 find the time period?

a) 4 years

b) 2 years

c) 5 years

d) 1 year

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ANSWERS

1) Answer: A

Solution:

Principle =?

Rate = 12%

Time = 2 years

Compound Interest = Rs. 3975

Let principle = 625 units

625

1st year	2nd year
75	75
	9

Compound interest= 159 units

159 units = Rs. 3975S

1 unit = Rs. 25

Principle = Rs. 15625

2) Answer: B

Solution:

Let Principle = 100%

Time = 10 years

Simple interest= 30%

Simple interest= (P × R × T) /100

30 = (100 × R × 10) /100

Rate = 3%

Now compound interest,

12,500

1st year	2nd year
375	375
	11.25

Compound interest= Rs. 761.25

3) Answer: C

Solution:

Let Principle = 25 units

Simple interest= 12 units

Time = 3 years

Simple interest= (P × R × T) /100

12 = (25 × 3 × T) /100

Rate = 16%

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Now compound interest,

17500

1st year	2nd year
2800	2800
	448

Compound interest= Rs. 6048

4) Answer: C

Solution:

Let P = 1 unit

Simple interest= 1 unit

T = 8.5 years

Simple interest= (P × R × T) /100

1 = (1 × R × 12.5) /100

Rate = 8%

5) Answer: A

Solution:

Let Principle = 1 unit

Simple interest = 6 unit

Time = 12 years

Simple interest= (P × R × T) /100

6 = (1 × R × 12) /100

Rate = 50%

6) Answer: A

Solution:

Let Principle = 1 unit

Simple interest = 4 units

Rate = 5%

Simple interest= (P × R × T) /100

4 = (1 × T × 5) /100

Time = 80 years

7) Answer: D

Solution:

Let P = 1 unit

Simple interest= 9 unit

Rate = 36%

Simple interest= (P × R × T) /100

9 = (1 × T × 36) /100

Time = 25 years

8) Answer: D

Solution:

Let P = 1 unit

Simple interest = 4 unit

Rate = T

Simple interest= (P × R × T) /100

4 = (1 × T ×T) /100

$Rate^2 = Time^2 = 400$

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Time = 20 years

9) Answer: B

Solution:

Let P = 5 unit

Simple interest= 7 unit

Rate = 8%

Simple interest= (P × R × T)/100

7 = (5 × T × 8)/100

Time = 17.5 years

10) Answer: C

Solution:

Let P = x unit

Simple interest= Rs. 3000

R = 12.5%

T=3 Years

Simple interest= (P × R × T) /100

3000 = (x × 3 × 12.5) /100

Principle = Rs. 8000

11) Answer: A

Solution:

Let Principle = 100%

Rate = 7%

Time = 2 years

Simple interest = 14% of principle

Compound interest = 14.49% of Principle

Difference = 0.49%

0.49% = Rs 19.6

1% = Rs. 40

100% = Rs. 4000

12) Answer: B

Solution:

Let Principle = 100% Rate = 10% Time = 3 years

Simple interest = 30% of principle

Compound interest = 33.1% of Principle

Difference = 3.1%

3.1% = Rs 77.5

1% = Rs. 25

100% = Rs. 2500

13) Answer: A

Solution:

Let Principle = 100% Rate = 5% Time = 2 years

Simple interest = 10% of principle

Compound interest = 10.25% of Principle

Difference = 0.25%

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0.25% = Rs 50

1% = Rs. 200

100% = Rs. 20000

14) Answer: A

Solution:

Let Principle = 100% Rate = 6% Time = 2 years

Simple interest = 12% of principle

Compound interest = 12.36% of Principle

Difference = 0.36%

0.36% = Rs 3.6

1% = Rs. 10

100% = Rs. 1000

15) Answer: C

Solution:

Let principal value = Rs. P

Rate of interest = 12%

Time period = 3 years

Amount under compound interest = P (1+ R/100) T

$\Rightarrow P (1 + 12/100)^3 = 7727.104$

$\Rightarrow P (28/25)^3 = 7727.104$

$\Rightarrow P = 7727.104 \times (15625 / 21952)$

$\Rightarrow P = 15625 \times 0.352 = Rs. 5500$

16) Answer: A

Solution: P = Rs. 15,000 R = 15% R = 3 years

	15,000	
1st year	2nd year	3rd year
2250	2250	2250
	337.5	337.5
		337.5
		50.625

Compound interest= Rs. 2975.625

17) Answer: C

Solution:

	12500	
1st year	2nd year	3rd year
1250	1250	1250
	125	125
		125
		12.5

Difference = Rs. 137.5

18) Answer: A

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Solution:

24,500

1st year	2nd year
4900	4900
	980

Compound interest for 2nd year = Rs. 5880

19) Answer: A

Solution:

P = Rs. 7500 T = 1 2/5 years

Rate: 1st year - 10%

2nd year - 4%

Effective rate = 14.40%

Compound interest= 14.40% of 7500

Compound interest= Rs. 1080

20) Answer: C

Solution:

P = Rs. 525

T = 2 1/3 years

Rate: 1st year - 6%

2nd year - 6%

3rd year = 2%

Effective rate = 14.60072%

Compound interest= 14.60072% of 525

Compound interest= Rs. 76.65

21) Answer: A

Solution:

P = Rs.800

R = 10.5%

T = 2 years

Simple interest = (800 × 10.5 × 2) /100

Simple interest = Rs 168

Compound interest = 22.10% of 800

Compound interest = Rs. 176.8

Difference = Rs. 8.8

22) Answer: A

Solution:

Let Simple interest = 12 units (two years)

Simple interest = 6 units/year

Compound interest = 13 units (2 years)

Difference = 1 units

Rate = (1/6) × 100

Rate = 16.6%

1200

1st year	2nd year
200	200
	33.3

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Compound interest= Rs. 233.3

23) Answer: A

Solution:

Let Simple interest= 30 units (two years)

Simple interest= 15 units / year

Compound interest = 37 units (2 years)

Difference = 7 units

Rate = (7/15) × 100

Rate = 46.6%

	1500
1st year	2nd year
700	700
	326.6

Compound interest= Rs. 1726.6

24) Answer: D

Solution:

Let the Principle = 100%

Rate = 10% Time = 3 years

Effective rate = 33.1%

So Amount = 133.1%

133.1% = Rs. 1331

1% = Rs 10

33.1% = Rs 331

25) Answer: C

Solution:

P =?

Rate = 15%

Time = 3 years

Let Principle = 20^3 = 8000 units

		8,000
1st year	2nd year	3rd year
1200	1200	1200
	180	180
		180
		27

Compound interest= Rs. 207

1 unit = Rs. 1

Principle = 8000

26) Answer: A

Solution:

Let Principle = 100%

Time = 2 years

Rate = 10%

Compound interest= 3025

Effective rate = 21%

Amount = 121%

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121% = 3025

1% = 25

100% = Rs. 2500

Simple interest= (2500 × 10 × 2) /100

Simple interest= Rs. 500

27) Answer: C

Solution:

Let Principle = 100%

Time = 2 years

Rate = 5%

Compound interest = 51.25

Effective rate = 10.25%

10.25% = 51.25

1% = Rs. 5

100% = Rs. 500

Simple interest= (500 × 5 × 2) /100

Simple interest= Rs. 50

28) Answer: A

Solution:

Principle = Rs. 550

Amount = Rs. 621

Time = 2 years

Compound interest = A - P

Compound interest = Rs. 71

Effective rate = (71/550) × 100

Effective rate = 12.90%

Checking options by trial and error method

Effective rate = 6.25 + 6.25 + 6.25 × 6.25 / 100

Effective rate = 12.89%

Only rate = 6.25% option verifies.

29) Answer: B

Solution:

Principle = Rs. 900

Amount = Rs. 1154

Time = 2 years

Compound interest= A - P

Compound interest= Rs. 254

Effective rate = (254/900) × 100

Effective rate = 28.22%

Checking options by trial and error method

Effective rate = 13.5 + 13.5 + 13.5 × 13.5 / 100

Effective rate = 28.22% (approx)

Only rate = 13.5% option verifies.

30) Answer: A

Solution:

Principle = Rs. 600

Amount = Rs. 681

Time = 3 years

Compound interest = A - P

Compound interest= Rs. 81

Effective rate = (81/600) × 100

Effective rate = 13.5%

Checking options by trial and error method

Effective rate = 4.5 + 4.5 + 4.5 + (4.5×4.5×4.5)/10000 + 3(4.5×4.5)/100

Effective rate = 13.6% (approx)

Only rate = 4.5% option verifies.

31) Answer: A

Solution:

Principle = Rs. 1400

Amount = Rs. 1680

Time = 3 years

Compound interest = Amount - Principle

Compound interest= Rs. 280

Effective rate = (280/1400) × 100

Effective rate = 20%

Checking options by trial and error method,

Effective rate = 6.5 + 6.5 + 6.5 + (6.5×6.5×6.5) / 10000 + 3(6.5×6.5)/100

Effective rate = 19.95% (approx)

Only rate = 6.5% option verifies.

32) Answer: A

Solution:

Principle = Rs.1540

Amount = Rs. 1780

Time = 3 years

Compound interest = A - P

Compound interest= Rs.240

Effective rate = (240/1540) × 100

Effective rate = 15.58%

Checking options by trial and error method by trial and error method

Effective rate = 5.15 + 5.15 + 5.15 + (5.15×5.15×5.15) / 10000 + 3(5.15×5.15)/100

Effective rate = 15.49% (approx)

Only rate = 5.15% option verifies.

33) Answer: C

Solution:

P	A_3	A_6
P	729	1331
	9	11

Compound interest= 2 unit

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Rate = (2/11) × 100

Rate = 18.08%

34) Answer: A

Solution:

P	A_3	A_6
P	1728	4096
	12	14
	6	7

Compound interest= 1 unit

Rate = (1/6)×100

Rate = 16.66%

35) Answer: D

Solution:

P	A_2	A_5
P	1331	3375
	11	15

Compound interest = 15 – 11 = 4 units

Rate = (4/15) × 100

Rate = 26.6%

36) Answer: D

Solution:

P	A_2	A_5
P	64	343
	4	7

Compound interest= 3 units

Rate = (3/4) × 100

Rate = 75%

37) Answer: C

Solution:

Principle = 1800

Time = 2(4/5) years

Rate: 1st year - 15%

2nd year - 15%

3rd year - 12%

Effective rate = 42 + 5.85 + .27

Effective rate = 48.12%

Compound interest= Rs. 866.16

38) Answer: A

Solution: P = 100% T = 1(4/5) years

Rate: 1st year - 10%

2nd year - 8%

Effective rate = 18.80%

18.80% = Rs. 470

100% = Rs 2500

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39) Answer: B

Solution:

Amount =?

T = 2(1/5) years

Rate: 1st year - 10%

2nd year - 10%

3rd year - 2%

Effective rate = 22 + 1.40 + .02

Effective rate = 23.42%

Compound interest= Rs. 234.2

23.42% = Rs. 234.2

1% = 10

100% = Rs. 1000

A = Rs. 1234.2

40) Answer: A

Solution:

4% = 1/25

Let principle = 15625 units

15625

1st year	2nd year	3rd year
625	625	625
	25	25
		25

1

676 units = Rs 676

1 unit = 1 rupees

Total Simple interest for three years = Rs. 1875

41) Answer: A

Solution:

Simple interest = ?

Principle = ?

Rate = 8%

Time = 2 years

Effective rate = 8 + 8 + 8 × 8 /100

Effective rate = 16.64%

16.64% = Rs. 166.4

1% = Rs 10

100% = Principle = Rs. 1000

Simple interest= (P × R × T) /100

Simple interest= (1000 × 8 × 2) /100

Simple interest= Rs. 160

42) Answer: C

Solution:

Let Principle = 100% Rate = 10% Time = 3 years

Effective rate of 10% for 3 years = 33.1%

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33.1% = Rs. 662

1% = Rs. 20

100% = Rs. 2000

A = P + Simple interest

A = Rs. 2662

43) Answer: A

Solution: Let P = 100% Compound interest= 21.75% T = 3 years

This question can only be solved by picking options.

Let rate = 6.9%

Effective rate = 6.9 + 6.9 + 6.9 + (6.9×6.9×6.9) / 10000 + 3(6.9×6.9)/100

Effective rate = 20.4 + 0.032 + 1.42

Effective rate = 6.9%

44) Answer: A

Solution: Let P = 100% Compound interest= 19.25% T = 3 years

This question can only be solved by picking options by trial and error method

Let rate = 6.0%

Effective rate = 6 + 6 + 6 + (6×6×6) / 10000 + 3(6×6)/100

Effective rate = 18 + 0.0216 + 1.08

Effective rate =19.10 %

45) Answer: A

Solution: Let P = 100% Compound interest= 27.75% T = 3 years

This question can only be solved by picking options by trial and error methods.

Let rate = 8.5%

Effective rate = 8.5 + 8.5 + 8.5 + (8.5×8.5×8.5)/10000 + 3(8.5×8.5)/100

Effective rate = 27.72% (approx)

46) Answer: A

Solution: Let P = 100% Compound interest= 34.45% T = 4 years

This question can only be solved by picking options by trial and error method.

Let rate = 7.6%

Effective rate = 15.77% (2 years)

Effective rate = 34.15 (4 years)

So option A is the answer.

47) Answer: B

Solution:

Time period = 8 years

Principal = Rs. 8500

Simple Interest = 120% of 8500 = Rs. 10200

Simple interest = (P × R × T) / 100

10200 = (8500 × R × 8) / 100

R = (10200) / (85 × 8)

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R = 15%

48) Answer: A

Solution: let Principle = 100%

Rate = 10% Time = 2 years

Compound interest= 21% of Principle…….(1)

Simple interest= 20% of Principle ……(2)

Difference = 1%

1% = Rs. 631

100% = principle = Rs. 63100

Amount = P + Compound interest

Amount = Rs. 63731

49) Answer: C

Solution:

Solution: P = 10,000 R = 10% T = 4 years

Effective rate for 2 years = 10 + 10 + 10 × 10 /100

Effective rate for 2 years = 21%

Effective rate for 4 years = 21 + 10 + 10+ (21 ×10×10)/100+(210+100+210)/100

Effective rate for 4 years = 46.41%

Compound interest= 46.41% of 10,000

Compound interest= Rs. 4641

50) Answer: B

Solution: P = Rs 20,000 R = 6.5%
Compound interest= Rs. 2680

Effective rate = (2980/20,000) × 100

Effective rate = 14.9%

Time = 2 years (approx)

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