

G.S.C.E

Chapter Covered Compound Interest (25 Questions with Options, Answers and Explanations)

Q1

What is the difference between the compound interests on ₹5000 for $1\frac{1}{2}$ years at 4% per annum compounded yearly and half-yearly?

- A. ₹2.04 B. ₹3.06
C. ₹8.30 D. ₹4.80

Q2

2. A bank offers 5% compound interest calculated on half-yearly basis. A customer deposits ₹1600 each on 1st January and 1st July of a year. At the end of the year, the amount he would have gained by way of interest is:

- A. ₹121 B. ₹120
C. ₹123 D. ₹122

Q3

There is 80% increase in an amount in 8 years at simple interest. What will be the compound interest of ₹14,000 after 3 years at the same rate?

- A. ₹3714 B. ₹3794
C. ₹4612 D. ₹4634

Q4

The compound interest on ₹30,000 at 7% per annum is ₹4347. The period (in years) is:

- A. 2 B. 3
C. 1 D. 3.5

Q5

The difference between simple and compound interest(compounded annually) on a certain sum of money for 2 years at 4% per annum is ₹1. What is the sum?

- A. ₹600 B. ₹645
C. ₹525 D. ₹625

Q6

6. A sum is invested at compounded interest payable annually. The interest in the first two successive years was Rs. 400 and Rs. 420. The sum is

- A. Rs. 8000
- B. Rs. 8500
- C. Rs.7500
- D. Rs. 8200

Q7

7. If a sum on compound interest becomes three times in 4 years, then with the same interest rate, the sum will become 81 times in:

- A. 18 years
- B. 12 years
- C. 16 years
- D. 14 years

Q8

8. Divide Rs. 3364 between A and B, so that A's Share at the end of 5 years may equal to B's share at the end of 7 years, compound interest being at 5 percent.

- A. Rs. 1764 and Rs.1600
- B. None of these
- C. Rs. 1756 and Rs.1608
- D. Rs. 1722 and Rs.1642

Q9

9. A sum is invested for 3 years compounded at 5%, 10% and 20 % respectively. In three years, if the sum amounts to Rs. 1386, then find the sum.

- A. Rs. 1400
- B. Rs. 1000
- C. Rs. 1500
- D. Rs. 1200

Q10

10. A sum of money is borrowed and paid back in two annual instalments of Rs. 882 each allowing 5% compound interest. The sum borrowed was:

- A. Rs.1440
- B. Rs.1260
- C. Rs.1640
- D. Rs.1820

Q11

11. What sum invested for 2 years at 14% compounded annually will grow to Rs. 5458.32?

- A. 4120
- B. 3300
- C. 4200
- D. 4420

Q12

The population of a town is 40,000. It decreases by 20 per thousand per year. Find out the population after 2 years.

- A. 38416
C. 38484
- B. 38226
D. 38266

Q13

The effective annual rate of interest corresponding to a nominal rate of 6% per annum payable half-yearly is:

- A. 6.07%
C. 6.09%
- B. 6.06%
D. 6.08%

Q14

Arun invested an amount of ₹20000 in a fixed deposit scheme for 2 years at compound interest rate 4% per annum. How much amount will he get on maturity of the fixed deposit?

- A. ₹22324
C. ₹20342
- B. ₹24120
D. ₹21632

Q15

Simple interest on a certain sum of money for 4 years at 5% per annum is half the compound interest on ₹3000 for 2 years at 10% per annum. The sum placed on simple interest is:

- A. ₹1625
C. ₹1200
- B. ₹1575
D. ₹2200

Q16

15. The compound interest on a certain sum for 2 years at 10% per annum is ₹525. The simple interest on the same sum for double the time at half the rate percent per annum is:

- A. ₹600
C. ₹500
- B. ₹450
D. ₹400

Q17

On a sum of money, the simple interest for 2 years is Rs. 320, while the compound interest is Rs. 340, the rate of interest being the same in both the cases. The rate of interest is:

- A. 12.5%
- B. 14.25%
- C. 15%
- D. 10.5%

Q18

A bank offers 10% interest rate compounded annually. A person deposits Rs. 20,000 every year in his account. If he does not withdraw any amount, then how much balance will his account show after four years?

- A. Rs. 104202
- B. Rs. 102220
- C. Rs. 102102
- D. Rs. 104222

Q19

A sum of money becomes Rs. 2200 after three years and Rs. 4400 after six years on compound interest. The sum is

- A. Rs. 1100
- B. Rs. 1200
- C. Rs. 1000
- D. Rs. 1400

Q20

What annual payment will discharge a debt of Rs. 1025 due in 2 years at the rate of 5% compound interest?

- A. Rs. 551.25
- B. Rs. 560.75
- C. Rs. 560
- D. Rs. 550

Q21

The difference between compound interest and simple interest on an amount of ₹15,000 for 2 years is ₹96. What is the rate of interest per annum?

- A. 12%
- B. 8%
- C. 9%
- D. 6%

Q22

If the simple interest on a sum of money for 2 years at 5% per annum is ₹60, what is the compound interest on the same at the same rate for the same time?

- A. ₹63.5
- B. ₹61.5
- C. ₹64
- D. ₹62

Q23

The difference between simple interest and compound on ₹900 for one year at 10% per annum reckoned half-yearly is:

A. ₹2.25

B. ₹4

C. ₹4.5

D. ₹3

Q24

What is the compound interest on a sum of ₹40,000 for 3 years at the rate of 11% per annum?

A. ₹14602.25

B. ₹14822.26

C. ₹14322.10

D. ₹14705.24

Q25

At what rate of compound interest per annum will a sum of ₹1400 become ₹1573.04 in 2 years?

A. 4%

B. 8%

C. 6%

D. 5%