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Compound Interest Questions for RBI Asst. Pre, IBPS Clerk Pre and SBI Clerk Pre Exams

Compound Interest Quiz 13

Directions : Read the following questions carefully and choose the right answer.

1. **The compound interest received on a sum for the second year at a rate of 11(1/9)% is Rs. 180. Find the principal and the amount received after 2 years?**

   A. Rs. 1580, Rs. 1900 B. Rs. 1458, Rs. 1800 C. Rs. 1680, Rs. 2100

   D. Rs. 1540, Rs. 1840 E. Rs. 1468, Rs. 1680

2. **Anjali invested in two schemes. She invested Rs. 5000 in scheme A at a rate of 12% per annum simple interest for 2 years and Rs. 5500 in scheme B at a rate of 10% per annum compound interest for 2 years. If she would have invested Rs. 5000 in scheme B and Rs. 5500 in scheme A, find the difference (in Rs.) between the total interest earned in IInd case and Ist case?**

   A. 15 B. 18 C. 25 D. 20 E. 22

3. **A sum of money is invested at a rate of 5% and 8% respectively for 2 years compounded annually. The compound interest after two years is Rs. 1608. Find the sum?**

   A. 10,000 B. 12,000 C. 15,000 D. 11,000 E. 14,000

4. **Simple interest on a certain sum of money for 3 years at 12% per annum is Rs. 18000. Find the compound interest on the same sum at the same rate for 2 years?**

   A. Rs. 12820 B. Rs. 12940 C. Rs. 12650 D. Rs. 12720 E. Rs. 12560

5. **Deepak lends Rs. 5000 to Sanjay at 10% CI compounded annually. What interest (in Rs.) will Deepak get after 3 years?**

   A. 1655 B. 1565 C. 1635 D. 1645 E. 1640

6. **What is the difference between the compound interest and simple interest on Rs. 5000 for 3 years at 18% per annum?**

A. Rs. 520.05 B. Rs. 515.16 C. Rs. 510.20 D. Rs. 514.02 E. Rs. 512.10

7. **The simple interest on a certain sum of money for 2 years at R% per annum is Rs. 100. If the compound interest at the same rate of interest for the same time on the same principal is Rs. 102.5, then find the value of R?**

A. 5 B. 10 C. 12 D. 7 E. 8

8. **Certain money is lent at compound interest for 2 years at 40% per annum. If the interest had been calculated at half yearly compounding then the interest would have been Rs. 3408 more. What is the sum of money lent?**

A. Rs. 25000 B. Rs. 34000 C. Rs. 30000 D. Rs. 24000 E. Rs. 35000

9. **A sum of Rs. 8000 was borrowed at 10% per annum. Find the ratio of total amount at the end of two years if the interest was Compound interest compounded annually and if the interest was Simple interest calculated annually.**

A. 110:119 B. 112:121 C. 111:115 D. 121:120 E. 119:120

10. **The interest obtained by investing a sum at compound interest of 25% pa for 2 years is Rs. 812.5 more than same amount invested at simple interest at 10% pa for 4 years. Find the total sum (in Rs.) invested in both types of interest?**

A. 12000 B. 10000 C. 5000 D. 7000 E. 8000

Correct Answers:

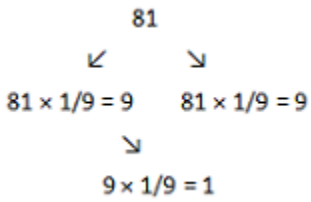
1	2	3	4	5	6	7	8	9	10
B	A	B	D	A	B	A	C	D	B

Explanation:

1.

$R = 11\frac{1}{9}\% = \frac{1}{9}$

$9^2 = 81$



Second year CI = 180

CI = 9 + 1 = 10

The value of 10 = 180

The value of 1 = 18

Principal = 81 × 18 = Rs. 1458

Amount = P + I

Amount = 81 + (18 + 1) = 100

Amount = 100 × 18 = Rs. 1800

Hence, option B is correct.

2.

$SI = \frac{5000 \times 12 \times 2}{100} = 1200$

$CI = \frac{5500 \times 10}{100} + \frac{5500 \times 10}{100} + \frac{550 \times 10}{100}$

$= 1200 + 1155 = 1155$

Total interest = 1200 + 1155 = 2355

Second case :

$SI = \frac{5500 \times 12 \times 2}{100} = 1320$

$CI = \frac{5000 \times 10}{100} + \frac{5000 \times 10}{100} + \frac{500 \times 10}{100} = 1050$

Total interest = 1320 + 1050 = 2370

Difference = 2370 – 2355 = 15

Hence, option A is correct.

3.

Effective rate = $5 + 8 + \frac{5 \times 8}{100} = 13.4\%$

{use: a + b + a × b/100 = effective rate}

CI = Rs. 1608

Let the sum be A

So,

$A \times \frac{13.4}{100} = 1608$

$A = \frac{1608 \times 100}{13.4}$

A = Rs. 12000

Hence, option B is correct.

4.

$SI = \frac{P \times R \times T}{100}$

$18000 = \frac{P \times 12 \times 3}{100}$

P = 50000

A = 50000 × (1.12) (1.12) = 62720

Compound interest = 62720 – 50000 = Rs. 12720

Hence, option D is correct.

5.

$R = 10\% = \frac{1}{10}$

10 is increased by 1 to get 11

Similarly for 3 years,

10 11

10 11

10 11

_____

1000 1331

_____

Here, 1000 represents Principal, 1331 represents Amount and difference between Amount and Principal represents compound interest.

CI = 1331 – 1000 = 331

Here, 1000 → 5000

331 will represent → $\frac{5000 \times 331}{1000}$

CI = 331 × 5 = Rs. 1655

Hence, option A is correct.

6.

SI = $\frac{5000 \times 18 \times 3}{100}$ = 2700

CI = $\frac{5000 \times 18}{100} + \frac{5000 \times 18}{100} + \frac{5000 \times 18}{100}$

$+ \frac{900 \times 18}{100} + \frac{900 \times 18}{100} + \frac{900 \times 18}{100} + \frac{162 \times 18}{100}$

= 900 × 3 + 162 × 3 + 29.16 = 3215.16

Difference = 3215.16 – 2700 = Rs. 515.16

Hence, option B is correct.

7. ATQ,

$\frac{PRT}{100}$ = 100

$\frac{P \times R \times 2}{100}$ = 100

PR = 5000 …(i)

$P\left(1+\frac{R}{100}\right)^2 - P = 102.5$ …(ii)

By taking ratio we get,

$$\frac{PR}{\{P(1+R/100)^2 - P\}} = \frac{5000}{102.5}$$

$$\frac{R}{\{R^2/100^2 + 2R/100\}} = \frac{5000}{102.5}$$

$$\frac{R}{(R/100^2 + 2/100\}} = \frac{2000}{41}$$

$$\frac{10000}{(R+200)} = \frac{2000}{41}$$

$5 \times 41 = R + 200$

$R = 5\%$

Hence, option A is correct.

8.

CI for 2 years at 40% = $40 + 40 + \frac{40 \times 40}{100} = 96\%$

Half yearly: CI at 20% for 4 years

CI for first two years = $20 + 20 + \frac{20 \times 20}{100} = 44\%$

For the next 2 years = $44 + 44 + \frac{44 \times 44}{100} = 107.36\%$

I = 107.36 – 96 = 11.36%

11.36% → 3408

1 → 300

100 → 300 × 100 = 30,000

Hence, option C is correct.

9. **Method I:** CI for 2 years at 10% p.a. = [10 + 10 + (10×10)/100]% = 21%

Therefore, total amount = 100 + 21 = **121%**

SI for 2 years at 10% p.a. = 10 × 2 = 20%

Therefore, total amount = 100 + 20 = **120%**

As we know the principal amount is common, so we don't need to consider it while calculating.

Therefore, the required ratio = **121 : 120.**

Hence, option D is correct.

Method II:

Ratio = 8000(1.1 × 1.1) : 8000 + [(8000 × 10 × 2)/100] = 1.1 × 1.1 : 1 + 0.20 = **121 : 120**

Hence, option D is correct.

10.

Interest for compound interest

$= 25 + 25 + 25 \times \frac{25}{100} = 56.25\%$

Let the sum be A

CI – SI = 812.5

$\frac{A \times 56.25}{100} - \frac{A \times 10 \times 4}{100} = 812.5$

56.25A/100 – 2A/5 = 4062.5

2.8125A – 2A = 4062.5

A = 5000

Total sum = 5000 + 5000 = 10000

Hence, option B is correct.