

## ARITHMETIC (Q 1, PAPER 1)

### LESSON NO. 6: INTEREST

**2007**

- 1 (b) €8500 was invested for 2 years at compound interest.
- (i) The rate of interest for the first year was 4%.  
Find the amount of the investment at the end of the first year.
- (ii) The amount of the investment at the end of the second year was €9237.80.  
Find the rate of interest for the second year.

**2003**

- 1 (c) (ii) What sum of money invested at 6% per annum compound interest will amount to €5000 in 7 years?  
Give your answer correct to the nearest euro.

**2001**

- 1 (c) IR£5000 was invested for 3 years at compound interest.  
The rate for the first year was 4%. The rate for the second year was  $4\frac{1}{2}\%$ .
- (i) Find the amount of the investment at the end of the second year.
- At the beginning of the third year a further IR£4000 was invested.  
The rate for the third year was  $r\%$ .  
The total investment at the end of the third year was IR£9811.36.
- (ii) Calculate the value of  $r$ .

**1998**

- 1 (b) (i) At what rate of interest will IR£2000 amount to IR£2065 after one year?

**1997**

- 1 (b) IR£2500 was invested for three years at compound interest.  
The rate of interest was 4% per annum for the first year and 3% per annum for the second year.  
Calculate the amount of the investment after two years.  
If the investment amounted to IR£2744.95 after three years, calculate the rate of interest per annum for the third year.

### ANSWERS

- 2007** 1 (b) (i) €8,840 (ii) 4.5%
- 2003** 1 (c) (ii) €3,325
- 2001** 1 (c) (i) £5434 (ii) 4
- 1998** 1 (b) (i) 3.25%
- 1997** 1 (b) £2678, 2.5%