

compound interest

exercise 1A

question number 3

Given: sum = ₹ 30,000 , time = 3 years , interest = $7\frac{1}{2}\%$ p.a. C.I.

To find: (i) sum at the end of second year , (ii) sum at the end of third year , (iii) total interest in three years.

Solution: (i) Interest during first year = $\frac{30,000 \times 1 \times 15}{100 \times 2}$ $[I = \frac{P \times T \times R}{100}]$
= ₹ 2250.

Sum after first year = $30,000 + 2250 = ₹ 32,250$ $[A = P + I]$

Now Interest during second year = $\frac{32,250 \times 1 \times 15}{100 \times 2} = \frac{9675}{4}$
= ₹ 2418.75

∴ Sum after two years = $32,250 + 2418.75 = ₹ 34,668.75$

(ii) Interest during third year = $\frac{34,668.75 \times 1 \times 15}{100 \times 2} = \frac{83205}{32}$
= ₹ 2600.16

Sum after three years = $34,668.75 + 2600.16 = ₹ 37,268.91$

(iii) Total interest earned in 3 years = sum after 3 years - original sum = ₹ 37,268.91 - 30,000 = ₹ 7268.91.

Answer: Hence values for (i) ₹ 34,668.75 , (ii) ₹ 37,268.91 and (iii) ₹ 7268.91

Q4) Here

Given what

$$A = 8000$$

$$P = 8800$$

$$T = 1 \text{ year}$$

$$R = 10\%$$

Compound interest of 1 year = ?

$$\text{Interest} = \frac{\text{Principal} \times \text{Time} \times \text{Rate}}{100}$$

$$I = \frac{8800 \times 10 \times 1}{100}$$
$$= ₹ 880$$

$$\text{Amount} = 8800 + 880$$
$$= 9680$$

$$CI = A - P = 9680 - 8800$$
$$= ₹ 880$$

question number 4 a

b

$$\text{Interest for 3 years} = \frac{9680 \times 10 \times 1}{100} = 968$$

$$\text{Amount of 3 years} = 9680 + 968 = 10648$$

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(a) Here given that

$$P = 2500$$

$$T = 2 \text{ years}$$

$$R = 10\%$$

$$CI = P \left[\left(1 + \frac{R}{100} \right)^n \right]$$

$$CI = 2500 \left[\left(1 + \frac{10}{100} \right)^2 \right]$$

$$= 2500 \times \left(\frac{110}{100} \right)^2$$

$$= 2500 \times \frac{110 \times 110}{100 \times 100}$$

$$= 25 \times 11 \times 11$$

$$= ₹ 3025$$

$$CI = A - P = 3025 - 2500$$
$$= ₹ 525$$

(b) Here given that

$$P = 2000, T = 3 \text{ years}, R = 12 \frac{1}{2}\% \text{ p.a.} = \frac{25}{2}$$

Now

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

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$$\begin{aligned}
 & \therefore \frac{10}{\cancel{20000}} \times 3 \times 25 \\
 & \quad \quad \quad \cancel{100} \times \cancel{2} \\
 & \Rightarrow 10 \times 3 \times 25 \\
 & \quad \quad \quad \underline{\underline{750 \text{ Ans.}}}
 \end{aligned}$$

since b is smaller than a'

$$750 > 525$$

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question number 8

Sol. Investment made by Mr Patel (P)

= Rs. 80000

Rate (R) = 10% p.a.

Period = 2 years

$$\therefore \text{Interest for the first year} = \frac{PRT}{100}$$

$$= \text{Rs. } \frac{80000 \times 10 \times 1}{100} = \text{Rs. 8000}$$

$$\therefore \text{Amount after first year} = \text{Rs. 80000} + 8000 \\ = \text{Rs. 88000}$$

Principal for the second year = Rs. 88000

Interest for the second year

$$= \text{Rs. } \frac{88000 \times 10 \times 1}{100} = \text{Rs. 8800}$$

$$\therefore \text{Amount after second year} = 88000 + 8800 \\ = \text{Rs. 96800}$$

$$\therefore \text{Interest for 2 year} = 96800 - 80000 \\ = \text{Rs. 16800}$$

Investment made by Ms Kapoor

= Rs. 100000

Rate (R) = 8%

Period = 3 years

$$\text{Interest for the first year} = \frac{PRT}{100}$$

$$= \frac{100000 \times 8 \times 1}{100} = \text{Rs. 8000}$$

$$\text{Amount after first year} = 100000 + 8000 \\ = \text{Rs. 108000}$$

or Principal for the second year

= Rs. 108000

$$\text{Interest for the second year} = \frac{108000 \times 8 \times 1}{100}$$

$$= \text{Rs. 8640}$$

$$\therefore \text{Amount after second year} = \text{Rs. 108000} +$$

$$8640 = \text{Rs. 116640}$$

or principal for the third year = Rs. 116640

$$\text{Interest for the third year} = \frac{116640 \times 8 \times 1}{100}$$

$$= \text{Rs. 9331.20}$$

$$\therefore \text{Amount after third year} = \text{Rs. 116640} + \\ 9331.20 = \text{Rs. 125971.20}$$

$$\therefore \text{Interest for 3 years} = \text{Rs. 125971.20} - \\ 100000.00 = 25971.20$$

It is clear that Ms Kapoor will get more interest = Rs. 25971.20

Sol. Investment by a man (P) = Rs. 30,000

Period = 2 years

Rate = 7.5% p.a. for first year and 8% for the second year

Interest for the first year = PRT

$$= \frac{30000 \times 7.5 \times 1}{100 \times 1} = \text{Rs. } 2250$$

\therefore Amount after first year = P + Int.

$$= \text{Rs. } 30000 + 2250 = \text{Rs. } 32250$$

or principal for the second year = Rs. 32250

Rate = 8%

$$\therefore \text{Interest for the second year} = \frac{32250 \times 8 \times 1}{100}$$

$$= \text{Rs. } 2580$$

$$\therefore \text{Amount after second year} = \text{Rs. } 32250 + 2580 = \text{Rs. } 34830$$

Investment by a man = Rs. 40000

Period = 3 years

Rate for the first two years = 8% p.a.

question number.10a

and for third year = 10%

$$\text{Interest for the first year} = \frac{PRT}{100}$$

$$= \text{Rs. } \frac{40000 \times 8 \times 1}{100} = \text{Rs. } 3200$$

Amount after first year = P + Int.

$$= \text{Rs. } 40000 + 3200 = \text{Rs. } 43200$$

or Principal for the second year = Rs. 43200

$$\text{Interest for the second year} = \frac{43200 \times 8 \times 1}{100}$$

$$= \text{Rs. } 3456$$

$$\therefore \text{Amount after second year} = \text{Rs. } 43200 + 3456 = \text{Rs. } 46656$$

or principal for the third year = Rs. 46656

$$\therefore \text{Interest for the third year} = \frac{46656 \times 10 \times 1}{100}$$

$$= \text{Rs. } \frac{466560}{100} = \text{RS. } 4665.60$$

\therefore Amount after third year

$$= \text{Rs. } 46656 + 4665.60 = \text{Rs. } 51321.60$$

Total interest for 3 years = A - P

$$= \text{Rs. } 51321.60 - 40000 = \text{Rs. } 11321.60$$

Given: A man invested RS. 40,000 for 3 years at the compound interest rate of 8% p.a. After 2 years, the rate of interest raised to 10%.

To find: the amount received after 3 years.

Solution:

$$P = 40,000 \text{ Rs.} \quad r = 8\%$$

$$\text{Sum at the end of 2 years} = P \left(1 + \frac{r}{100}\right)^n$$

$$\text{here } n = 2.$$

$$= 40,000 \left(1 + \frac{8}{100}\right)^2$$

$$= 40000 \left(\frac{108}{100}\right)^2$$

$$= 46,656.$$

After 2 years, interest raised to 10%.

$$\text{Sum at the end of 3rd year} = P \left(1 + \frac{r}{100}\right)^n$$

$$P = 46,656 \quad n = 1 \quad r = 10\%$$

$$= 46656 \left(1 + \frac{10}{100}\right)^1$$

$$= 46656 \left(\frac{110}{100}\right)$$

$$= 51,321.60.$$

Amount received after 3 years = RS. 51,321.60.

Answer:

Hence, the amount received after 3 years is RS. 51,321.60.

10B