

Interest Rate Problems

1. Jim Smith borrowed \$2,000 at a 6% add-on rate for two years.

What is the finance charge?

2. Alex Rolando borrowed \$4,000 at an 8% add-on rate for three years.

What is the finance charge?

3. Ann Fong borrowed \$12,000 at a 7% add-on rate for two years.

- a. What is the finance charge?
- b. What is the monthly payment?

4. Michelle Ward borrowed \$5,000 at a 9% add-on rate for three years.

- a. What is the finance charge?
- b. What is the monthly payment?
- c. What is the APR?

5. Julie Freshwater borrowed \$15,000 at a 5% add-on rate for four years.

- a. What is the finance charge?
- b. What is the monthly payment?
- c. What is the APR?