PRINCE EDWARD ISLAND FOUNDATIONS OF MATHEMATICS 12 · UNIT A

Financial Mathematics — Practice Test

Prince Edward Island Foundations of Mathematics 12 • 25 questions

This practice test was made by AI and there may be mistakes. If a question or answer looks wrong, use the Flag a mistake button to let Brett know so he can fix it.

1 **A deposit of 1100 dollars earns simple interest at 5 percent per year for 2 years. The interest earned in dollars is**

ANSWER _____

Understand It with Pulse | Flag a mistake

2 **A loan of 1200 dollars earns simple interest at 5 percent per year for 3 years. The interest earned in dollars is**

ANSWER _____

Understand It with Pulse | Flag a mistake

3 **A truck costs 12000 dollars with a salvage value of 2000 dollars after 5 years. The annual straight line depreciation in dollars is**

ANSWER _____

Understand It with Pulse | Flag a mistake

4 **An investment of 1000 dollars compounds annually at 10 percent per year for 2 years. The final amount in dollars is**

ANSWER _____

Understand It with Pulse | Flag a mistake

5 **A machine costs 8000 dollars with a salvage value of 2000 dollars after 3 years. The annual straight line depreciation in dollars is**

ANSWER _____

Understand It with Pulse | Flag a mistake

6 **A car valued at 20000 dollars depreciates by 10 percent in one year. Its value after one year in dollars is**

ANSWER _____

Understand It with Pulse | Flag a mistake

7 **A deposit of 600 dollars at 10 percent simple interest for 2 years earns in interest in dollars**

ANSWER _____

Understand It with Pulse | Flag a mistake

8 **A jacket priced at 80 dollars is discounted by 25 percent. The sale price in dollars is**

ANSWER _____

Understand It with Pulse | Flag a mistake

9 **A loan of 1000 dollars at 12 percent simple interest for 1 year costs in interest in dollars**

ANSWER _____

Understand It with Pulse | Flag a mistake

10 **A monthly payment of 250 dollars is made for 12 months. The total paid in dollars is**

ANSWER _____

Understand It with Pulse | Flag a mistake

11 **Two mortgages are for the same amount and the same term. One charges 4% interest and the other charges 6%. Compared with the 6% mortgage, the 4% mortgage has**

A lower total interest cost

B higher monthly payments always

C a longer term always

D no down payment

Understand It with Pulse | Flag a mistake

12 **A price of 90 dollars falls by 10 percent. The new price in dollars is**

ANSWER _____

Understand It with Pulse | Flag a mistake

13 **A price of 60 dollars increases by 15 percent. The new price in dollars is**

ANSWER _____

Understand It with Pulse | Flag a mistake

14 **A savings account holds 500 dollars at 8 percent simple interest per year for 3 years. The interest in dollars is**

ANSWER _____

Understand It with Pulse | Flag a mistake

15 **A sinking fund is used to**

A pay daily expenses

B avoid all tax

C increase debt

D save for a future payment

Understand It with Pulse | Flag a mistake

16 **A worker earns 15 dollars per hour for 40 hours. The weekly pay in dollars is**

ANSWER _____

Understand It with Pulse | Flag a mistake

17 **A deposit of 1800 dollars earns simple interest at 4 percent per year for 3 years. The interest earned in dollars is**

ANSWER _____

Understand It with Pulse | Flag a mistake

18 **A loan of 1500 dollars earns simple interest at 4 percent per year for 2 years. The interest earned in dollars is**

ANSWER _____

Understand It with Pulse | Flag a mistake

19 **A truck costs 9000 dollars with a salvage value of 1000 dollars after 4 years. The annual straight line depreciation in dollars is**

ANSWER _____

Understand It with Pulse | Flag a mistake

20 **An investment of 2000 dollars compounds annually at 5 percent per year for 2 years. The final amount in dollars is**

ANSWER _____

Understand It with Pulse | Flag a mistake

21 **A machine costs 20000 dollars with a salvage value of 4000 dollars after 8 years. The annual straight line depreciation in dollars is**

ANSWER _____

Understand It with Pulse | Flag a mistake

22 **A deposit of 2500 dollars earns simple interest at 6 percent per year for 2 years. The interest earned in dollars is**

ANSWER _____

Understand It with Pulse | Flag a mistake

23 **A loan of 900 dollars earns simple interest at 6 percent per year for 4 years. The interest earned in dollars is**

ANSWER _____

Understand It with Pulse | Flag a mistake

24 **A truck costs 15000 dollars with a salvage value of 3000 dollars after 6 years. The annual straight line depreciation in dollars is**

ANSWER _____

Understand It with Pulse | Flag a mistake

25

An investment of 1500 dollars compounds annually at 10 percent per year for 3 years. The final amount in dollars is

ANSWER

Understand It with Pulse | Flag a mistake

ANSWER KEY

1. 110
2. 180
3. 2000
4. 1210
5. 2000
6. 18000
7. 120
8. 60
9. 120
10. 3000
11. A
12. 81
13. 69
14. 120
15. D
16. 600
17. 216
18. 120
19. 2000
20. 2205
21. 2000
22. 300
23. 216
24. 2000
25. 1996.5

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