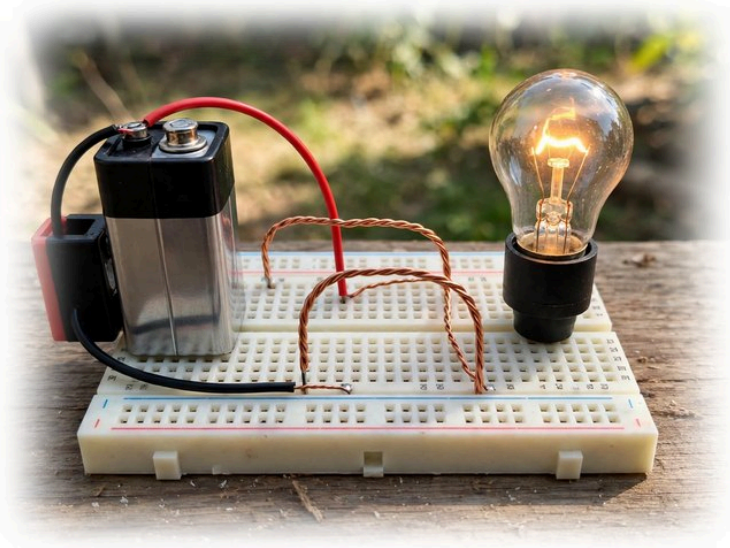
PRINCE EDWARD ISLAND FOUNDATIONS OF MATHEMATICS 12 · UNIT A · 5 QUESTIONS

Financial Mathematics — Practice Test

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

Simple electric circuit on a breadboard with a battery and a lit bulb. A loan of 2000 dollars earns simple interest at 3 percent per year for 5 years. The interest earned in dollars is



ANSWER

Understand It with Pulse

Flag a mistake

2 **Amortization means paying off a loan by**

- A skipping payments
- B regular payments of principal and interest
- C one payment at the end only
- D paying interest only forever

Understand It with Pulse | Flag a mistake

3 **An account balance of 800 dollars grows by 25 percent. The new balance in dollars is**

ANSWER _____

Understand It with Pulse | Flag a mistake

4 **An annuity is a series of**

A discounted prices

B equal payments at regular intervals

C one large payment

D rising tax bills

Understand It with Pulse | Flag a mistake

5 **An investment of 3000 dollars compounds annually at 4 percent per year for 2 years. The final amount in dollars is**

ANSWER _____

Understand It with Pulse | Flag a mistake

ANSWER KEY

1. 300
2. B
3. 1000
4. B
5. 3244.8

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