Section 1.2 (The Term of a Loan)

1. Zack borrows $3,000 for 6 months at 8.5% simple interest. How much money will he need to pay back?

2. Jessie deposits $2,000 in a credit union CD paying 4\(\frac{1}{2}\)% simple interest with a term of 5 months. How much interest has she earned after 5 months?

3. Kelly deposited $2,300 into a savings account that pays 3.85% simple interest, she leaves the money in the bank for 90 days. Find the value of her account after 90 days.

4. Repeat question 3 using 366 days rather than 365 for the number of days in a year. How much does the answer change?

5. Redo question 3 using Bankers rule.