

Simple and Compound Interest Questions for RRB NTPC Set-4

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Instructions

For the following questions answer them individually

Question 1

The simple interest at the rate of 8% on the amount Rs. 20,000 for 3 months is

- **A** 400
- **B** 600
- **C** 500
- **D** 200

Answer: A

Explanation:

S.I=P x r x t/100 , t in years

=(20,000 x 8 x 3)/(100 x 12)=400

Question 2

A certain amount which was loaned on simple interest doubled in 10 years Then the amount received is loaned on compound interest for another 2 years on the same rate What is the total rise in the amount after 12 years with the initial principal amount?

- **A** 42%
- **B** 142%
- C 242%
- **D** 150%

Answer: B

Explanation:

The amount doubled in 10 years. So, the interest = principle.

So, rt/100 = 1

r = 10% pa

Now compound interest = ?

$$2P(1+.1)^2 = 2P \times 1.21 = 2.42P$$

Total rise is P to 2.42P = rise of 142%

Question 3

One-fourth of an amount was loaned at simple interest with 2% rate of interest and the remaining part was lent on simple interest at 3% rate of interest What is the average rate of interest for the whole amount?

- A $2\frac{1}{4}\%$
- **B** $2_4^3\%$
- $c 1_4^1 \%$
- **D** 4%

Answer: B

Explanation:



Let the amount be 100 Rs.

One fourth of it is at 2 % pa

So, $25 \times 2 \times 1 / 100 = .5$

The rest is on 3% pa interest.

So, 75 x 3 x 1 /100 = 2.25

So total interest = 2.75

Interest rate = ?

Interest rate = i x 100/ pt

= 2.75 x100/100 = 2.75%

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Question 4

The simple interest on a certain sum at the rate of 4% per annum in 4 years is Rs. 80 more than the simple interest on the same sum at 5% per annum after 3 years. The sum is

- A Rs. 7000
- **B** Rs. 7,500
- C Rs. 8000
- **D** Rs. 8,500
 - Answer: C

Explanation:

Let the principal be P

SI = P xT x R/100

difference = P x 4 x 4 /100 - P x 5 x 3/100

= 16P/100 - 15P/100 = 80

P = 8000 Rs.

Question 5

Find the simple interest on \P 4800 at the rate of $8\frac{1}{2}$ % per annum for a period of 2 years 3 months.



- **B** ₹816
- **C** ₹918
- **D** ₹990

Answer: C

Explanation:

Given that P = 4800, T = 2.25, R = 8.5

We know that Simple Interest $I={100\atop100}^{PIR}$

Therefore,
$$I={}^{4800\times2.25\times8.5}_{100}$$

=>
$$I=rac{91800}{100}=Rs918/-$$

Question 6

What is the difference between Compound Interest and Simple Interest on Rs.1000 at 10% after 4 years?

- A Rs.64.10
- **B** Rs.74
- C Rs.16.40
- **D** Rs.52

Answer: A

Explanation:

Simple interest SI= P× N×R ÷ 100

P=principle amount

N= Time period

R= rate of interest

SI=1000×10×4÷100

SI=400

For compound interest (CI)

Amount=P×(1+R÷100)^N

Amount=1000×(1+10÷100)^4

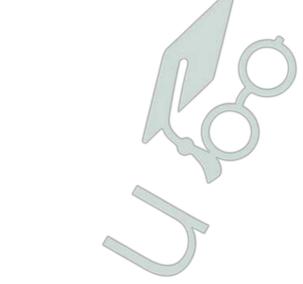
Amount=1464.1

Amount=P+CI

CI=Amount-P

CI=464.1

CI-SI=64.1



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Question 7

The Compound Interest on a certain sum for 2 years at 10% is Rs.2100. What will be the Simple Interest for the same period, on the same sum and at the same rate?

- A Rs.2000
- **B** Rs.1600
- **C** Rs.1800
- **D** Rs.1980

Answer: A

Explanation:

amount= principle+interest

compound interest,

$$amt = p \times (1 + \begin{smallmatrix} r \\ 100 \end{smallmatrix})^n$$

n=2

$$p + 2100 = p \times (1 + \frac{10}{100})^2$$

solving we get p=10000

simple interest

$$si=rac{p imes n imes r}{100}$$

p=10000

n=2

r=10%

substituting

$$si = {10000 \times 10 \times 2} \ = 2000$$



Question 8

Find the difference between the Simple Interest and Compound Interest on Rs.10000 for 3 years at the rate of 3% per annum.

- A Rs.27.27
- **B** Rs.17.82
- **C** Rs.21.54
- **D** Rs.16.25

Answer: A

Explanation:

$$CI = P(1 + {100 \atop 100})^n$$

P = 10000

N = 3 years

R = 3%

$$SI = {10000 \times 3 \times 3 \atop 100} = 900$$

$$CI = 10000(1 + \frac{3}{100})^3$$

Question 9

Compound Interest and Simple Interest on a certain sum of money for 2 years is Rs.282.15 and Rs.270 respectively. The rate of interest is:

_	- 1	1	0/
D	- 1	- 1	/C

D
$$83\%$$

Explanation:

SI for 1 year =
$$\frac{270}{2} = 135$$

$$\mathsf{rate\%} = \begin{smallmatrix} 12.15 \\ 135 \end{smallmatrix} \times 100 = 9\%$$

for 1st year CI and SI will be same

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Question 10

On a sum of money, the Simple Interest for 2 years is Rs.660 while the Compound Interest for two years is Rs.696.30, the rate of interest being the same. Find the rate of interest.

Answer: C

Explanation:

Difference in C.I and S.I for 2 years

$$= Rs(696.30-660)$$

S.I for one years = Rs330.

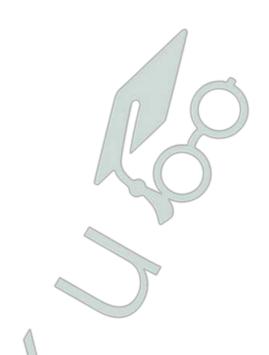
S.I on Rs.330 for 1 year =Rs. 36.30

$$R = P \times T$$

Rate

$$= {100 \times 36.30 \atop 330 \times 1}$$

= 11%



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