ComputePrep

Simple and compound interest questions with answers

15 exam-shaped questions with full worked solutions.

For IBPS · SBI · SSC · Railway quant.

Free, share it forward. Every question in this set was generated and verified by the ComputePrep engine — the same one behind the free daily timed drill at **computeprep.com**.

The questions

Work them on paper first. Full solutions start after question 15 — the numbering matches.

QUESTION 1

What is the simple interest earned?

₹120000 is deposited for 2 years at 10% per annum, simple interest.

A. 24000
B. 144000
C. 24012
D. 12000
E. 25200

QUESTION 2

What is the simple interest earned?

₹30000 is deposited for 2 years at 10% per annum, simple interest.

A. 3000
B. 36000
C. 6300
D. 6000
E. 5992

QUESTION 3

By how much does the compound interest exceed the simple interest?

A sum of ₹60000 is invested for 2 years at 10% per annum.

A. 587
B. 1200
C. 12000
D. 600
E. 12600

QUESTION 4

What is the simple interest earned?

₹50000 is deposited for 2 years at 25% per annum, simple interest.

A. 12500
B. 25000
C. 75000
D. 28125
E. 25004

QUESTION 5

What is the simple interest earned?

₹10000 is deposited for 2 years at 25% per annum, simple interest.

A. 2500
B. 5000
C. 15000
D. 5011
E. 5625

QUESTION 6

What is the compound interest earned?

₹60000 is deposited for 2 years at 5% per annum, compounded annually.

A. 6000
B. 150
C. 3000
D. 6144
E. 6150

QUESTION 7

What is the simple interest earned?

₹90000 is deposited for 2 years at 25% per annum, simple interest.

A. 44988
B. 45000
C. 44998
D. 22500
E. 50625

QUESTION 8

What is the simple interest earned?

₹20000 is deposited for 2 years at 25% per annum, simple interest.

A. 11250
B. 5000
C. 10000
D. 10009
E. 30000

QUESTION 9

By how much does the compound interest exceed the simple interest?

A sum of ₹20000 is invested for 2 years at 20% per annum.

A. 793
B. 800
C. 200
D. 8000
E. 8800

QUESTION 10

By how much does the compound interest exceed the simple interest?

A sum of ₹10000 is invested for 2 years at 10% per annum.

A. 95
B. 100
C. 2100
D. 2000
E. 99

QUESTION 11

By how much does the compound interest exceed the simple interest?

A sum of ₹90000 is invested for 2 years at 5% per annum.

A. 9000
B. 219
C. 224
D. 225
E. 9225

QUESTION 12

By how much does the compound interest exceed the simple interest?

A sum of ₹40000 is invested for 2 years at 25% per annum.

A. 22500
B. 20000
C. 2500
D. 5000
E. 2511

QUESTION 13

What is the simple interest earned?

₹40000 is deposited for 2 years at 20% per annum, simple interest.

A. 15990
B. 16000
C. 17600
D. 15993
E. 8000

QUESTION 14

What is the simple interest earned?

₹120000 is deposited for 2 years at 5% per annum, simple interest.

A. 6000
B. 12300
C. 11988
D. 12000
E. 132000

QUESTION 15

What is the simple interest earned?

₹100000 is deposited for 2 years at 5% per annum, simple interest.

A. 110000

B. 10250

C. 5000

D. 10000

E. 10006

Answers and worked solutions

Each walkthrough is the engine's own elimination order, step for step — not a reconstruction written after the fact.

SOLUTION 1

Answer: **24000**

1. Simple interest = P × R × T ÷ 100 = ₹120000 × 10 × 2 ÷ 100 = ₹24000.
2. Each year earns the same ₹12000 under simple interest.
3. Answer: 24000.

SOLUTION 2

Answer: **6000**

1. Simple interest = P × R × T ÷ 100 = ₹30000 × 10 × 2 ÷ 100 = ₹6000.
2. Each year earns the same ₹3000 under simple interest.
3. Answer: 6000.

SOLUTION 3

Answer: **600**

1. Simple interest = ₹60000 × 10 × 2 ÷ 100 = ₹12000.
2. Compound interest = ₹60000 × [(1 + 10/100)² − 1] = ₹12600.
3. Difference = ₹12600 − ₹12000 = ₹600. (Shortcut: P × (R/100)² gives the same.)
4. Answer: 600.

SOLUTION 4

Answer: **25000**

1. Simple interest = P × R × T ÷ 100 = ₹50000 × 25 × 2 ÷ 100 = ₹25000.
2. Each year earns the same ₹12500 under simple interest.
3. Answer: 25000.

SOLUTION 5

Answer: **5000**

1. Simple interest = P × R × T ÷ 100 = ₹10000 × 25 × 2 ÷ 100 = ₹5000.
2. Each year earns the same ₹2500 under simple interest.
3. Answer: 5000.

SOLUTION 6

Answer: **6150**

1. Amount = ₹60000 × (1 + 5/100)² = ₹66150.
2. Compound interest = amount − principal = ₹66150 − ₹60000 = ₹6150 — interest is the gain, not the amount.
3. Answer: 6150.

SOLUTION 7

Answer: **45000**

1. Simple interest = P × R × T ÷ 100 = ₹90000 × 25 × 2 ÷ 100 = ₹45000.
2. Each year earns the same ₹22500 under simple interest.
3. Answer: 45000.

SOLUTION 8

Answer: **10000**

1. Simple interest = P × R × T ÷ 100 = ₹20000 × 25 × 2 ÷ 100 = ₹10000.
2. Each year earns the same ₹5000 under simple interest.
3. Answer: 10000.

SOLUTION 9

Answer: **800**

1. Simple interest = ₹20000 × 20 × 2 ÷ 100 = ₹8000.
2. Compound interest = ₹20000 × [(1 + 20/100)² − 1] = ₹8800.
3. Difference = ₹8800 − ₹8000 = ₹800. (Shortcut: P × (R/100)² gives the same.)
4. Answer: 800.

SOLUTION 10

Answer: **100**

1. Simple interest = ₹10000 × 10 × 2 ÷ 100 = ₹2000.
2. Compound interest = ₹10000 × [(1 + 10/100)² − 1] = ₹2100.
3. Difference = ₹2100 − ₹2000 = ₹100. (Shortcut: P × (R/100)² gives the same.)
4. Answer: 100.

SOLUTION 11

Answer: **225**

1. Simple interest = ₹90000 × 5 × 2 ÷ 100 = ₹9000.
2. Compound interest = ₹90000 × [(1 + 5/100)² − 1] = ₹9225.
3. Difference = ₹9225 − ₹9000 = ₹225. (Shortcut: P × (R/100)² gives the same.)
4. Answer: 225.

SOLUTION 12

Answer: **2500**

1. Simple interest = ₹40000 × 25 × 2 ÷ 100 = ₹20000.
2. Compound interest = ₹40000 × [(1 + 25/100)² − 1] = ₹22500.
3. Difference = ₹22500 − ₹20000 = ₹2500. (Shortcut: P × (R/100)² gives the same.)
4. Answer: 2500.

SOLUTION 13

Answer: **16000**

1. Simple interest = P × R × T ÷ 100 = ₹40000 × 20 × 2 ÷ 100 = ₹16000.
2. Each year earns the same ₹8000 under simple interest.
3. Answer: 16000.

SOLUTION 14

Answer: **12000**

1. Simple interest = P × R × T ÷ 100 = ₹120000 × 5 × 2 ÷ 100 = ₹12000.
2. Each year earns the same ₹6000 under simple interest.
3. Answer: 12000.

SOLUTION 15

Answer: **10000**

1. Simple interest = P × R × T ÷ 100 = ₹100000 × 5 × 2 ÷ 100 = ₹10000.
2. Each year earns the same ₹5000 under simple interest.
3. Answer: 10000.

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