

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. 12600
 - C. 1200
 - D. 600
 - E. 12000
-

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. 1600
 - E. 8000
-

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. 2000
 - D. 200
 - 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. 450
 - B. 224
 - C. 225
 - D. 9000
 - E. 265
-

QUESTION 12

What is the compound interest earned?

₹110000 is deposited for 2 years at 10% per annum, compounded annually.

- A. 11000
 - B. 23100
 - C. 22000
 - D. 133100
 - E. 23103
-

QUESTION 13

What is the simple interest earned?

₹90000 is deposited for 2 years at 5% per annum, simple interest.

- A. 99000
 - B. 9225
 - C. 4500
 - D. 9000
 - E. 8990
-

QUESTION 14

What is the simple interest earned?

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

- A. 36000
 - B. 3000
 - C. 6000
 - D. 6300
 - E. 6012
-

QUESTION 15

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

A sum of ₹60000 is invested for 2 years at 25% per annum.

- A. 7500
 - B. 3751
 - C. 33750
 - D. 30000
 - E. 3750
-

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 = $P \times R \times T \div 100 = ₹120000 \times 10 \times 2 \div 100 = ₹24000$.
 2. Each year earns the same ₹12000 under simple interest.
 3. Answer: 24000.
-

SOLUTION 2

Answer: **6000**

1. Simple interest = $P \times R \times T \div 100 = ₹30000 \times 10 \times 2 \div 100 = ₹6000$.
 2. Each year earns the same ₹3000 under simple interest.
 3. Answer: 6000.
-

SOLUTION 3

Answer: **600**

1. Simple interest = $₹60000 \times 10 \times 2 \div 100 = ₹12000$.
 2. Compound interest = $₹60000 \times [(1 + 10/100)^2 - 1] = ₹12600$.
 3. Difference = $₹12600 - ₹12000 = ₹600$. (Shortcut: $P \times (R/100)^2$ gives the same.)
 4. Answer: 600.
-

SOLUTION 4

Answer: **25000**

1. Simple interest = $P \times R \times T \div 100 = ₹50000 \times 25 \times 2 \div 100 = ₹25000$.
 2. Each year earns the same ₹12500 under simple interest.
 3. Answer: 25000.
-

SOLUTION 5

Answer: **5000**

1. Simple interest = $P \times R \times T \div 100 = ₹10000 \times 25 \times 2 \div 100 = ₹5000$.
 2. Each year earns the same ₹2500 under simple interest.
 3. Answer: 5000.
-

SOLUTION 6

Answer: **6150**

1. Amount = $₹60000 \times (1 + 5/100)^2 = ₹66150$.
 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 = $P \times R \times T \div 100 = ₹90000 \times 25 \times 2 \div 100 = ₹45000$.
2. Each year earns the same ₹22500 under simple interest.

3. Answer: 45000.
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SOLUTION 8

Answer: **10000**

1. Simple interest = $P \times R \times T \div 100 = ₹20000 \times 25 \times 2 \div 100 = ₹10000$.
 2. Each year earns the same ₹5000 under simple interest.
 3. Answer: 10000.
-

SOLUTION 9

Answer: **800**

1. Simple interest = $₹20000 \times 20 \times 2 \div 100 = ₹8000$.
 2. Compound interest = $₹20000 \times [(1 + 20/100)^2 - 1] = ₹8800$.
 3. Difference = $₹8800 - ₹8000 = ₹800$. (Shortcut: $P \times (R/100)^2$ gives the same.)
 4. Answer: 800.
-

SOLUTION 10

Answer: **100**

1. Simple interest = $₹10000 \times 10 \times 2 \div 100 = ₹2000$.
 2. Compound interest = $₹10000 \times [(1 + 10/100)^2 - 1] = ₹2100$.
 3. Difference = $₹2100 - ₹2000 = ₹100$. (Shortcut: $P \times (R/100)^2$ gives the same.)
 4. Answer: 100.
-

SOLUTION 11

Answer: **225**

1. Simple interest = $₹90000 \times 5 \times 2 \div 100 = ₹9000$.
 2. Compound interest = $₹90000 \times [(1 + 5/100)^2 - 1] = ₹9225$.
 3. Difference = $₹9225 - ₹9000 = ₹225$. (Shortcut: $P \times (R/100)^2$ gives the same.)
 4. Answer: 225.
-

SOLUTION 12

Answer: **23100**

1. Amount = $₹110000 \times (1 + 10/100)^2 = ₹133100$.
 2. Compound interest = amount – principal = $₹133100 - ₹110000 = ₹23100$ — interest is the gain, not the amount.
 3. Answer: 23100.
-

SOLUTION 13

Answer: **9000**

1. Simple interest = $P \times R \times T \div 100 = ₹90000 \times 5 \times 2 \div 100 = ₹9000$.
 2. Each year earns the same ₹4500 under simple interest.
 3. Answer: 9000.
-

SOLUTION 14

Answer: **6000**

1. Simple interest = $P \times R \times T \div 100 = ₹30000 \times 10 \times 2 \div 100 = ₹6000$.
 2. Each year earns the same ₹3000 under simple interest.
 3. Answer: 6000.
-

SOLUTION 15

Answer: **3750**

1. Simple interest = $\text{₹}60000 \times 25 \times 2 \div 100 = \text{₹}30000$.
 2. Compound interest = $\text{₹}60000 \times [(1 + 25/100)^2 - 1] = \text{₹}33750$.
 3. Difference = $\text{₹}33750 - \text{₹}30000 = \text{₹}3750$. (Shortcut: $P \times (R/100)^2$ gives the same.)
 4. Answer: 3750.
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