Name of the Bundle	Advance Bundle V2	Subject	Aptitude
Topic	Compound Interest	Last updated on	06 March 2026

1) The sum of 3000 is invested at 20% p.a compound interest(compounded annually). What is the compound interest for two years?

a)1360 b)1200 c)1320 d)1440

Ans: c)1320

Explanation:

Ratio Method

P=3000

R%=20%

T=2

CI=?

CI= P*(1+r)/100)^n

Step 1: Write R% into a fraction.

Rate%=20/100= $\frac{1}{5}$ $\frac{Compound\ Interest}{Principal}$

P	C	A(P+CI)	p	CI
5	6		25	11
5	6		3000	1320
25	36			

Multiplying (6*6=36)

Difference =11. (C.I=C.A-P)

Name of the Bundle	Advance Bundle V2	Subject	Aptitude
Topic	Compound Interest	Last updated on	06 March 2026

2) If the compound interest on a certain sum of money for 2 years at 5% p.a is Rs. 328, then the sum is_____

a)3600 b)3500 c)3000 d)3,200

Ans: d) 3,200

Explanation:

Ratio Method

P=?

R%=5%

T=2

CI=328

CI= $P*(1+r)/100)^n$

Step 1: Write R% into a fraction.

Rate%=5/100= $\frac{1}{20}$ $\frac{Compound\ Interest}{Principal}$

P	C A(P+CI)	p	CI
20	21	400	41
20	21	3200	328

400 441

Difference =41.

Name of the Bundle	Advance Bundle V2	Subject	Aptitude
Topic	Compound Interest	Last updated on	06 March 2026

3) A certain sum invested at compound interest (compounded annually) grows to 5040 in three years. If the rate of interest is 20% for the first year,40% for the second year, and 50% for the third year, then what is the sum?

a)1210 b)2566 c)1800 d)2000

Ans: d) 2000

Explanation:

Ratio Method

P=? C.A=5040

R%=20% ——— For 1st year

R%=40% ——— For 2nd year

R%=50% ——— For 3rd year

CI= P*(1+r)/100)^n

Step 1: Write R% into a fraction.

Rate%=20/100= $\frac{1}{5}$ $\frac{Compound\ Interest}{Principal}$

Rate%=40/100= $\frac{2}{5}$ $\frac{Compound\ Interest}{Principal}$

Rate%=50/100= $\frac{1}{2}$ $\frac{Compound\ Interest}{Principal}$

P	C A(P+CI)	p	CA
5	6	50	126
5	7	2000	5040
2	3		
50	126		

Name of the Bundle	Advance Bundle V2	Subject	Aptitude
Topic	Compound Interest	Last updated on	06 March 2026

4) What will be the compound interest for 3 years on Rs. 5120 at the rate of 12.5%(Compounded annually)?

a)2280 b)1960 c)2120 d)2170

Ans: d) 2170

Explanation:

Ratio Method

P=5120 R%=12.5% T=3

CI=?

CI= $P*(1+r)/100)^n$

Step 1: Write R% into a fraction.

Rate%=125/1000= $\frac{1}{8}$ $\frac{Compound\ Interest}{Principal}$

P	C A(P+CI)	p	CI
8	9	512	217
8	9	5120	2170
8	9		
512	729		

Difference =217.

Name of the Bundle	Advance Bundle V2	Subject	Aptitude
Topic	Compound Interest	Last updated on	06 March 2026

5) The compound interest on a sum of Rs.20,000 at 15% p.a for 2 2/3 years, interest compounded annually.

a)9098 b)9095 c)8896 d)9000

Ans: b) 9095

Explanation:

P=20,000

R%=15% ——— For 1st year

T=2 2/3Yrs

CI= P*(1+r)/100)^n

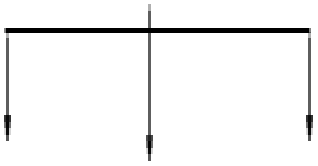
Step 1: Write R% into a fraction.

Rate%=15/100= $\frac{3}{20}$ $\frac{Compound\ Interest}{Principal}$

Rate%=15/100= $\frac{3}{20}$ $\frac{Compound\ Interest}{Principal}$

Rate%=10/100= $\frac{1}{20}$ $\frac{Compound\ Interest}{Principal}$

T=2 2/3Yrs



1Yr	1Yr	2/3Yr
R=15%	R=15%	R=10%

Yr	R%
1	15
2/3	10%

P	C A(P+CI)	p	CI
20	23	4000	1819

9095

Name of the Bundle	Advance Bundle V2	Subject	Aptitude
Topic	Compound Interest	Last updated on	06 March 2026

6) A sum of Rs. 1200 is invested at compound interest(Compounded half yearly).If the rate of interest is 10% p.a, then what will be the amount after 18 months?

a)1389.15 b)1563.25 c)1185.45 d)1295.35

Ans: a) 1389.15

Explanation:

P=1200

R=10%

T=18 months

R=10% T=18 months

R%	Months	Compounded Half Yearly
10	12	So, 18/6 =3
R=5%	6	Now T=3

Ratio Method

Rate%=5/100= $\frac{1}{20}$ $\frac{Compound\ Interest}{Principal}$

P	C A(P+CI)	p	CA
20^3	21^3	8000	9261
8000	9261	1200	1389.15

Name of the Bundle	Advance Bundle V2	Subject	Aptitude
Topic	Compound Interest	Last updated on	06 March 2026

7) The compound interest on a sum of Rs. 5500 at 15%p.a for 2 years, When the interest is compounded 8 monthly, is____.

a)1880 b)1820.50 c)1773.75 d)1850

Ans: b) 1820.50

Explanation:

P=5500

R=15%

T=2 Yrs = 24 months

CI=? Compounded 8 monthly

R=10% T=24 months

R%	Months	Compounded 8 monthly
15	12	So, 24/8 =3
R=10%	8	Now T=3

Rate%=10/100= $\frac{1}{10}$ $\frac{Compound\ Interest}{Principal}$

P	C A(P+CI)	p	CI
10^3	11^3	1000	331
1000	1331	5500	1820.50

Name of the Bundle	Advance Bundle V2	Subject	Aptitude
Topic	Compound Interest	Last updated on	06 March 2026

8) What is the compound interest on a sum of Rs. 4096 at Rs.15% p.a for 21/2 years? If the interest is compounded 10 monthly.

a)1726 b)1736 c)1636 d)1763

Ans: b) 1736

Explanation:

Solution:

P=4096

R=15%

T=2 1/2Yrs = 30 months

CI=? Compounded 10 monthly

R=10% T=30 months

R%	Months	Compounded 10 monthly
15	12	So, 30/10 =3
R=12.5%	10	Now T=3

Rate%=12.5/100= $\frac{125}{1000} = \frac{1}{8}$

P	C A(P+CI)	p	CI
8^3	9^3	512	217
512	729	4096	1736

Name of the Bundle	Advance Bundle V2	Subject	Aptitude
Topic	Compound Interest	Last updated on	06 March 2026

Successive Percentage Increase method

Example:

P=1000 R=3% T=2 CI=?

For 2 Years

Let the successive increase in % be a% and b%.In that case, the total increase will be $(a + b + (ab)/100)\%$

For 2 years, the rate of interest increases successively by 3%.

$(3 + 3 + (3 * 3)/100)$=6.09%

For T=2 years	1ST Yr	2nd Yr	(%increase) R%
R=2%	2%	2%	4.04
R=3%	3%	3%	6.09
R=4%	4%	4%	16.16
R=7%	7%	7%	14.49
R=9%	9%	9%	18.81
R=11%	11%	11%	23.21
R=13%	13%	13%	27.69

Hint: If R=8% T=2 Yrs ,Then % increase in R

8x2=16 ; 8x8=64 R=16.64%

R=14% T=2 Yrs, Then % increase in R 14x2=28; 14^2=196

Adding 28+1.96=29.96%

Name of the Bundle	Advance Bundle V2	Subject	Aptitude
Topic	Compound Interest	Last updated on	06 March 2026

9) The compound interest for two years at 12% p.a is Rs. 477.What is the principal amount?

a)1875 b)2000 c)1500 d)1650

Ans: a) 1875

Explanation:

Solution:

P=?

R=12%

T=2Yrs

CI =477

Let the successive increase in % be a% and b%.In that case, the total increase will be $(a + b + (ab)/100)\%$

For 2 years, the rate of interest increases successively by 3%.

$$(12 + 12 + (12 * 12)/100) \quad = 25.44\%$$

Rate%=25.44/100= $\frac{2544}{10000}$ = $\frac{Compound\ Interest}{Principal}$

p	CI
10000	2544
1875	477

Name of the Bundle	Advance Bundle V2	Subject	Aptitude
Topic	Compound Interest	Last updated on	06 March 2026

10)The compound interest on a certain sum of money at 11% for 2 years is 6963. It's simple interest (in Rs) at the same rate and for the same period is

a)6500 b)6600 c)6750 d)6000

Ans: b) 6600

Explanation:

P=? SI=?

R=11%

T=2Yrs

CI =6963

Hint: If R=11% T=2 Yrs ,Then % increase in R 11x2=22 ; 11x11=121 R=23.21%

Rate%=23.21/100= $\frac{2321}{10000}$ = $\frac{Compound\ Interest}{Principal}$

p	CI
10000	2321
30000	6963

P=30000 R=11% T=2Yrs. SI=? SI=PRT/100 ;(30000*11*2)/100=6600

Name of the Bundle	Advance Bundle V2	Subject	Aptitude
Topic	Compound Interest	Last updated on	06 March 2026

11)Ram deposited an amount of 1000 in a bank's savings account with an interest 6% compounded monthly. What amount of interest will he get at the end of 24 months?

a)123.6 b)788.98 c)246.12 d)807.56

Ans: a) 123.6

Explanation:

P=1000 SI=?

R=6%

T=2Yrs

CA=?

Hint: If R=6% T=2 Yrs ,Then % increase in R 6x2=12 ; 6x6=36 R=12.36%

Rate%=2.36/100= $\frac{12.36}{100}$ = $\frac{Compound\ Interest}{Principal}$

p	CI
100	12.36
1000	123.6

Name of the Bundle	Advance Bundle V2	Subject	Aptitude
Topic	Compound Interest	Last updated on	06 March 2026

12)The compound interest on a certain sum of money at 21% for 2 years is Rs.11602.5.It's simple interest in Rs at the same rate and for the same period is

a)10500 b)10750 c)16000 d)12500

Ans: a) 10500

Explanation:

P=? SI=?

R=21%

T=2Yrs

CI=11602.5

Hint: If R=21% T=2 Yrs ,Then % increase in R 21x2=42 ; 21x21=441 R=46.41%

Rate%=46.41/100= $\frac{4641}{10000}$ = $\frac{Compound\ Interest}{Principal}$

p	CI
10000	4641
25000	11602.5

P=25000 R=21% T=2Yrs. SI=PRT/100 ;(25000*21*2)/100=10500

Name of the Bundle	Advance Bundle V2	Subject	Aptitude
Topic	Compound Interest	Last updated on	06 March 2026

13)A woman invests Rs.2000 at the start of each year at 5% compound interest per annum. How much will her investment be at the end of the 2nd year?

a)4305 b)4355 c)4304 d)4306

Ans: a) 4305

Explanation:

P=2000

R=5%

T=1Yr

Rate%=5/100= $\frac{1}{20}$ = $\frac{Compound\ Interest}{Principal}$

p	CA	
20	21	
2000	2100	CA for 1st year

For the second year, the woman invests 2100+2000,Now Principal =4100

P=4100

R=5%

T=1Yrs

Rate%=5/100= $\frac{1}{20}$

p	CA	
20	21	
4100	4305	CA for 2nd year

Name of the Bundle	Advance Bundle V2	Subject	Aptitude
Topic	Compound Interest	Last updated on	06 March 2026

14)A woman invests Rs.100 at the start of each year at 5% compound interest per annum. How much will her investment be at the end of the 2nd year?

a)215.25 b)215.5 c)215 d)215.75

Ans: a) 215.25

Explanation:

Solution:

For the first Year Woman invests

P=100 R=5% T=1Yrs CA=?

Rate%=5/100= $\frac{1}{20}$

p	CA	
20	21	
100	105	CA for 1st year

For the second year, the woman invests 105+100. Now Principal =205

P=205

R=5%

T=1Yrs

Rate%=5/100= $\frac{1}{20}$

p	CA	
20	21	
205	215.25	or 2nd year

Name of the Bundle	Advance Bundle V2	Subject	Aptitude
Topic	Compound Interest	Last updated on	06 March 2026

15) Mr Ram borrowed Rs. 8500 at 4% p.a compound interest. The compound interest compounded annually for 2 years is

a)693.6 b)639.6 c)9139.6 d)9193.6

Ans: a) 693.6

Explanation:

P=8500

R=4%

T=2Yrs

CI=?

Step 1: Write R% into a fraction.

Rate%=4/100= $\frac{1}{25}$ $\frac{Compound\ Interest}{Principal}$

P	C A(P+CI)	p	CI	
25	26	625	51	
25	26	8500		693.6
625	676			

Difference =51. (C.I=C.A-P)

Name of the Bundle	Advance Bundle V2	Subject	Aptitude
Topic	Compound Interest	Last updated on	06 March 2026

16)There is a 40% increase in the amount in 4 years at simple interest. What will be the compound interest on Rs.6000 after 3 years at the same rate?

a)1260 b)1986 c)19860 d)7986

Ans: b) 1986

Explanation:

P=6000

R=?

In S.I T=4Yrs A= 40% increase

SI=(PRT)/100 ; R is directly proportional to SI.

R=10% For 1 year,

CI=? P=6000 R=10% T=3 Yrs

Step 1: Write R% into a fraction.

Rate%=10/100= $\frac{1}{10}$ $\frac{Compound\ Interest}{Principal}$

Yr	R
4	40
1	10%

P	C A(P+CI)
10	11
10	11
10	11
1000	1331

p	CA
1000	331
6000	1986

Difference =331. (C.I=C.A-P)

Name of the Bundle	Advance Bundle V2	Subject	Aptitude
Topic	Compound Interest	Last updated on	06 March 2026

17)A sum of Rs.2100 is to be paid back in 2 equal instalments. How much is each instalment if the interest is compounded annually at 10% p.a.?

a)1210 b)1240 c)1230 d)1220

Ans: a) 1210

Explanation:

P=6000

R=10%

No. of instalments = 2

Step 1: Write R% into a fraction.

Rate%=10/100= $\frac{1}{10}$ $\frac{Compound\ Interest}{Principal}$

P	C A(P+CI)		p	Installment
10 x11	11x11	Adding	210	121
10^2	11^2		2100	1210
210	242			

Difference =32. (C.I=C.A-P) Installment

Name of the Bundle	Advance Bundle V2	Subject	Aptitude
Topic	Compound Interest	Last updated on	06 March 2026

18)A loan of Rs. 8925 is to be paid back in two equal half yearly installments. How much is each if the interest is compounded half-yearly at 8% per annum?

a) 4372 b) 4654 c)4654 d)4732

Ans: d) 4732

Explanation:

P=8925

R=8%

No. of instalments = 2

CI=? Compounded half-yearly

R=10%

R%	Months
8	12
R=4%	6

Rate%=4/100= $\frac{1}{25}$ $\frac{Compound\ Interest}{Principal}$

P	C A(P+CI)		p	Installment
26 x25	26x26	Adding	1275	676
25^2	26^2		8925	4732
1275	1352			

Difference =77. (C.I=C.A-P) → Installment

Name of the Bundle	Advance Bundle V2	Subject	Aptitude
Topic	Compound Interest	Last updated on	06 March 2026

19)A sum of Rs. 45500 is to be paid back in 3 equal annual instalments. How much is each instalment if the interest is compounded annually at 20% per annum?

a) 21600 b) 21700 c)21800 d)21900

Ans: d) 21900

Explanation:

P=45500

R=20%

No. of instalments = 3

R=20% Rate%=20/100= $\frac{1}{5}$ $\frac{Compound\ Interest}{Principal}$

P	C A(P+CI)		p	Installment
$5x\ 6^2$	$6x6^2$			
5^2x6	6^2x6	Adding	455	216
5^3	6^3		45500	21600
455	648			

Difference =193. (C.I=C.A-P) → Installment

Name of the Bundle	Advance Bundle V2	Subject	Aptitude
Topic	Compound Interest	Last updated on	06 March 2026

20)A sum of Rs.25520 is to be paid back in 3 equal annual instalments. How much is each instalment if the interest is compounded annually at 5% per annum?

a) 9361 b) 9261 c)9621 d)9216

Ans: b) 9261

Explanation:

P=25220

R=5%

No. of instalments = 3

R=5% Rate%=5/100= $\frac{1}{20}$ $\frac{Compound\ Interest}{Principal}$

P	C A(P+CI)		p	Installment
$20x\ 21^2$	$21x21^2$			
20^2x21	21^2x21	Adding	25520	9261
20^3	21^3		25520	9261
25520	27783			

Difference =2263. (C.I=C.A-P) Installment

Name of the Bundle	Advance Bundle V2	Subject	Aptitude
Topic	Compound Interest	Last updated on	06 March 2026

21)A man borrowed Rs.9000 at the rate of interest 10%p.a compound interest. At the end of every year, he returned Rs. 3000. At the end of the 3rd year, how much money should he pay so that the whole sum is paid

a) 5049 b) 5050 c)5070 d)5060

Ans: b) 5050

Explanation:

P=9000 R=10%

T=1 Yr For 1st Yr

P	C A(P+CI)	p	CI
10	11	10	11
Difference =1		9000	9900

9900-3000 Returned every year. So Now P=6900

T=1 Yr For 2nd Yr

P	C A(P+CI)	p	CI
10	11	10	11
Difference =1		6900	7590

7590-3000 Returned every year. So Now P=4590

T=1 Yr For 3rd Yr

P	C A(P+CI)	p	CI
10	11	10	11
Difference =1		4590	5049