

Word Problem with Percent and Money: Problem Type 2

• Example 1

Jeremy inherits \$20,000 and invests part of the money in bonds with an interest rate of 11 percent. The remainder of the money is in savings at a 9 percent rate. What amount has he invested at each rate if he receives \$2040 in interest for 1 year?

Let x be the part of the \$20,000 invested at 11 percent. Thus, $20,000 - x$ is the amount, in dollars, invested at 9 percent. Since the interest received is \$2040, we get

$$2040 = \frac{11}{100}x + \frac{9}{100}(20,000 - x).$$

Solving this equation for x we have

$$x = 12,000$$

Thus, Jeremy invested \$12,000 at 11% and \$8000 at 9%.

● ● ● CHECK YOURSELF 1

Jan has \$2000 more invested in a stock that pays 9 percent interest than in a savings account paying 8 percent. If her total interest for 1 year is \$860, how much does she have invested at each rate?

● ● ● CHECK YOURSELF ANSWER

1. \$4000 at 8%, \$6000 at 9%.

2.30 Exercises

Name _____

Section _____

Date _____

A N S W E R S

1. _____

2. _____

3. _____

Solve each of the following problems. Be sure to show the equations used for the solution.

1. Investment. Otis has a total of \$12,000 invested in two accounts. One account pays 8 percent and the other 9 percent. If his interest for 1 year is \$1010, how much does he have invested at each rate?

2. Investment. Amy invests a part of \$8000 in bonds paying 12 percent interest. The remainder is in a savings account at 8 percent. If she receives \$840 in interest for 1 year, how much does she have invested at each rate?

3. Investment rates. Martha has \$18,000 invested. Part of the money is invested in a bond that yields 11 percent interest. The remainder is in her savings account, which pays 7 percent. If she earns \$1660 in interest for 1 year, how much does she have invested at each rate?