**Solution 1.15**

Which of the following 1-year investments has the highest rate of return: $12,500 that yields $1125 in interest, $56,000 that yields $6160 in interest, or $95,000 that yields $7600 in interest?

*Solution:*

i = (1125/12,500)\*100 = 9%

i = (6160/56,000)\*100 = 11%

i = (7600/95,000)\*100 = 8%

The $56,000 investment has the highest rate of return