Solution 1.56

The time it would take for money to double at a simple interest rate of 5% per year is closest to:

(*a*) 10 years
(*b*) 12 years
(*c*) 15 years
(*d*) 20 years

Solution:

$$F = P + Pni$$
$$2P = P + P(n)(0.05)$$
$$n = 20 \text{ years}$$

Answer is (d)