

3. Solution: C

Eric's interest (compound interest), last 6 months of the 8th year: $100(1 + \frac{i}{2})^{15}(\frac{i}{2})$

Mike's interest (simple interest), last 6 months of the 8th year: $200(\frac{i}{2})$. Thus, $100(1 + \frac{i}{2})^{15}(\frac{i}{2}) = 200(\frac{i}{2})$

or $(1 + \frac{i}{2})^{15} = 2$, which means $i/2 = .047294$ or

$i = .094588 = 9.46\%$