

Principal = Rs. 8000

Amount = Rs. 8820

Let Rate = R

Time = 2 years

By using formula,

$$\Rightarrow 8820 = 8000 \left(1 + \frac{R}{100}\right)^2$$

$$\Rightarrow \frac{8820}{8000} = \left(1 + \frac{R}{100}\right)^2$$

$$\Rightarrow \frac{441}{400} = \left(1 + \frac{R}{100}\right)^2$$

Taking square root of both sides,

$$\Rightarrow 21/20 = (1+R/100)$$

$$\Rightarrow R = 5\%$$

Hence, the correct option is (D).