5.8 Simple Interest

$$I = P \cdot R \cdot T$$

I - Interest
P - Principal
R - Rate
T - Time (year)

$250 at 6.5% for 3 years.
P R T

$I = (\$250)(.065)(3)$

$I = \$48.75$

Round to nearest cent

$575 @ 4.25% for $2\frac{1}{2}$ years.
P R T

$I = (\$575)(.0425)(2.5)$

$I = \$61.093375$

$I = \$61.09$

Find new Principal

$\$575 + 61.09 = \$636.09$

$5,200 at 13% for 18 months

P R

Time has to be in years.

$T = \frac{18}{12} = 1.5$

$I = (\$5\,200)(.13)(1.5)$

$I = \$1014$

p. 243-244

4—24 even