

Name _____

Date _____

Calculating Interest - Step-by-Step Lesson

Robert borrows \$34,000 from his friend for 6 years. The interest rate is 2.50% annually.

Calculate the simple interest he will owe after 6 years.



Explanation:

Formula to calculate the simple interest is:-

$$SI = \frac{P \times R \times T}{100}$$

SI = Simple Interest

P = Principal Amount

R = Rate Per Period

T = Number of Periods

$$SI = \frac{34,000 \times 2.50 \times 6}{100}$$

$$SI = \$5,100$$

