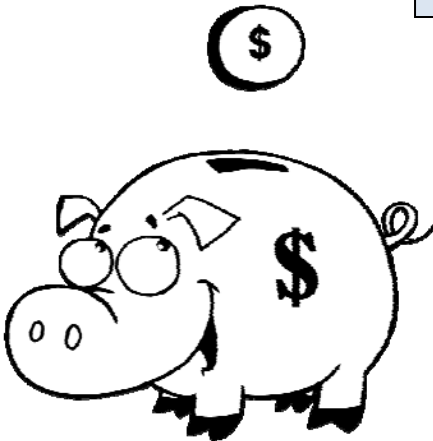


## Calculating Interest

To find the simple interest on a loan:

$$\text{Interest} = \text{Principal} \times \text{Rate} \times \text{Time}$$



Michael borrowed \$4,200 from the bank. He needs to repay the loan within two years at a rate of interest of 13%. How much will he pay in interest?

To Solve

$$(P) \$4,200 \times (R) 0.13 \times (T) 2$$

The total interest will be \$1,092,