

# SIMPLE INTEREST

<b>P</b>	• <b>Principal</b> is the money (sum) borrowed or sum lent
<b>I (SI)</b>	• <b>Interest</b> is the money which the lender gets from the borrower, in consideration of the sum used by the borrower
<b>R</b>	• <b>Rate or Rate of Interest</b> is the interest for a fixed period on every Rs 100.
<b>T</b>	• <b>Time period</b> is the time for which the sum (principal) is borrowed or lent. <b>Unit - Years.</b>
<b>A</b>	• <b>Amount</b> is the total of the sum borrowed (Principal) and the interest on it.

$$\text{Amount} = \text{Principal} + \text{Interest} ; A = P + I$$

## Relation between Principal (P), rate(R) and time(T) :

$$\diamond I = \frac{P \times T \times R}{100}$$

$$\diamond R = \frac{I \times 100}{P \times T}$$

$$\diamond P = \frac{I \times 100}{T \times R}$$