Simple Interest

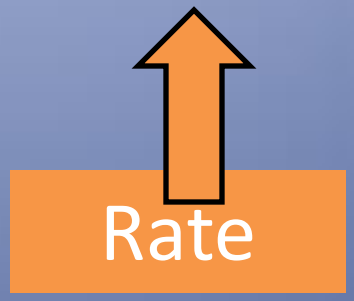
$I = PRT$

Interest

The amount paid or earned for the use of money.

Principal

The amount of money deposited or borrowed.



Rate

The annual interest rate, written as a decimal.

Time

Time, expressed in years.

I=PRT

Alan has $580 in a savings account that pays 3% simple interest. How much interest will he earn in 5 years?

I = P R T

I = 580 * .03 * 5

I = 87

Alan will earn $87.00 in interest in 5 years

Alan will have $667.00 in his account in 5 years

I=PRT

Alan has $580 in a savings account that pays 3% simple interest. How much interest will he earn in 6 months?

I = P R T

I = 580 * .03 * 6/12

I = 8.7

Alan will earn $8.70 in interest in 6 months

Alan will have $588.70 in his account in 6 months

$$I = PRT$$

If you know I, R and T and need to find principal:

$$P = \frac{I}{RT}$$

$$I = PRT$$

If you know I, P, T and need to find the rate:

$$R = \frac{I}{PT}$$

$$I = PRT$$

If you know I, P, R and need to find the time:

$$T = \frac{I}{PR}$$