NUMBER SYSTEM - SIMPLE INTEREST

1. **Simple Interest:** If the interest on a sum of money borrowed for a certain time period is reckoned uniformly, it is called as Simple Interest.

2. If Principal = P, Rate = R% per annum, Time = T years, then

   ```
   Simple Interest (S.I) = P * T * R / 100
   ```

   The above expression involves four quantities: P, I, T and R. If three of them are known to us, the fourth one can be easily found out.

   ```
   Amount (A) = Principal(P) + Interest(I)
   ```

   We can correlate it as

   ```
   A = P + P * T * R/100
   Or,
   A = P(1 + T * R/100)
   ```

4. When time is given in days, convert it into years by dividing by 365. Similarly, if given in months, convert it into years by dividing it by 12.

5. When type of interest is not specified, it is assumed to be simple interest.

6. Rate of interest is taken per annum unless specified otherwise.

7. The day when money is deposited or borrowed is omitted while the day on which money is withdrawn or paid back is counted in calculating time period.

Solved Examples

[Solved Examples](aptitude_simple_interest.htm)
aptitude_simple_interest.htm