

IMPORTANT FACTS AND FORMULAE

- 1.. **Principal:** The money borrowed or lent out for a certain period is called the **principal** or the **sum**.
2. **Interest:** Extra money paid for using other's money is called **interest**.
3. **Simple Interest (S.I.) :** If the interest on a sum borrowed for a certain period is reckoned uniformly, then it is called **simple interest**.

Let Principal = P, Rate = R% per annum (p.a.) and Time = T years. Then,

(i) $S.I. = (P \times R \times T) / 100$

(ii) $P = (100 \times S.I.) / (R \times T)$; $R = (100 \times S.I.) / (P \times T)$ and $T = (100 \times S.I.) / (P \times R)$