

Calculating Simple Interest

Changing the rate into a decimal. To do this, you divide the percent by 100. You can do this by moving the decimal over 2 places to the left.

e.g. $5\% = 0.05$

(Handwritten red arrows show the decimal moving two places left from 5% to 0.05, with a "÷100" written below.)

Percent	Decimal
6	
12	
2.3	
26.5	
34.72	

Calculate the amount of interest on each loan.

- 1) \$270 at 3% for 2 years (Remember to turn % to a decimal!)

P	X	R	X	T	=	A

- 2) \$563 at 6% for 3 years

P	X	R	X	T	=	A