



How to Quickly find Rate of Simple Interest

Simple Interest Problems can actually be simple if solved using easy and smaller methods to solve them. Read this article to learn a quicker method of solving Simple Interest Problems in which the amounts after 'a' and 'b' years are given and you are asked to find out the Principal and Rate of Interest. In such problems, the following data is specified

- 1. No. of Years 'a'
- 2. Amount after 'a' Years
- 3. No. of Years 'b'
- 4. Amount after 'b' Years

Simple Interest Problems - A Quicker Method

To solve this kind of problem, we should know the basics of simple interest. While solving these kinds of problems, we usually apply the simple interest formulae, form equations, solve them simultaneously to find principal amount and simple interest and then apply another simple interest formula to find the rate of interest. However, there is an easier and quicker method.

We know that the simple interest remains the same for any year. Using this knowledge, we try to solve the problem visually.

Sample Question

A sum of money at SI amounts to Rs. 550 in 5 years and Rs. 600 in 6 years. What is the Principal and the Rate of Interest?

Solution

We know that simple interest is same for all the years. So we find the difference in the number of years and the amounts.

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The difference in number of years = 6 - 5 = 1 year The difference in amounts = Rs. 600 - Rs. 550 = Rs. 50 \therefore Simple Interest = Rs. 50/1 year = Rs. 50/ year \therefore SI for 6 years = $50 \times 6 = 300$

Principal Amount = Amount after 6 years – SI for 6 years

∴ Principal Amount = 600 - 300 = Rs. 300

$$\therefore Rate = \frac{SI}{Principal Amount} \times 100 = \frac{50}{300} \times 100 = \frac{100}{6}\%$$

This problem could have easily been solved in your head using this method without writing down a single equation. This could save you at least 45 seconds per question.

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