A Loan of \$5,000 generates a simple Interest of \$1350 for 7 years, find the rate percent?

$I = \frac{P \times T \times R}{100}$ [Make R the subject of the formula]

$100I = PTR$ [Divide both sides by PT] $\frac{100I}{PT} = \frac{PTR}{PT}$

$R = \frac{100I}{PT}$ [P = \$5,000, I = 1350, T = 7 years]

$\therefore R = \frac{100 \times 1350}{5{,}000 \times 7} = \frac{135{,}000}{35{,}000} = 3.85\%$

$R = 3.9\%$