Simple Interest \( I = P \) 
Annual simple Interest Rate = \( R \) 
Principal Amount Borrowed = \( P \) 
Time = Fraction of year = \( T \)

\[ I = P \times R \times T \]

\[
\{\text{Fraction of year from months}\} = \frac{\text{# of Months}}{12}
\]

\[
\{\text{Fraction of year from day's exact method}\} = \frac{\text{# of Days}}{365 \text{ or } 366}
\]

\[
\{\text{Fraction of year from day's banker's method}\} = \frac{\text{# of Days}}{360}
\]
\[ P = \frac{I}{(R \times T)} \]

in Excel: \( P = I/(R \times T) \)

\[ R = \frac{I}{(P \times T)} \]

in Excel: \( R = I/(P \times T) \)

\[ T = \frac{I}{(P \times R)} \]

in Excel: \( T = I/(P \times R) \)
Section 9.2

\[ T = \frac{I}{(P \times R)} \]

\[ T_y = \frac{I}{(P \times R)} \]

\[ T_m = \frac{I}{(P \times R)} \times 12 \]

Excel = \[ I / (P \times R) \times 12 \]

\[ T_d = \frac{I}{(P \times R)} \times 360 \]

Excel = \[ I / (P \times R) \times 360 \]
Maturity Value = M
Discount Rate = D
Time (years) = T
Bank Discount = B
(Interest Paid Up Front)
Proceeds (Loan Amount) = P

Formulas:

1. \[ B = M \times D \times T \]

2. \[
\begin{align*}
\text{Effective Simple Rate} & = \frac{B}{P \times T} \\
\text{Discount Rate} & \end{align*}
\]

3. \[ M = \frac{P}{1 - D \times T} \]

4. \[ P = M - B \]