## Simple interest rate

Simple interest formula: total Amount= Principal + Principal * Rate * Time

$A=P+P*r*t$

OR

$A=P(1+r*t)$

## Compound interest

Compound interest applies interest to the previous new amount

It's easier to simplify the equation before solving it

Amount=Principle *(1+rate/amount compounded by)^time*amount compounded by

$A=P*(1+r/k)^{t*k}$