

* You take out a school loan for $\$3000$ at an interest rate of 2.5% . If you pay off the interest at the end of one year, how much do need to pay?

interest is 2.5% of loan amount

i is 2.5% of $\$3000$.

$$\frac{2.5}{100} = \frac{i}{3000}$$

↓

$$100i = 2.5(3000)$$

$$\frac{100i}{100} = \frac{7500}{100}$$

$$i = 75.00$$

$$i = \$75$$

$$\begin{array}{r} 2.5 \\ \times 3000 \\ \hline 7500.0 \end{array}$$

$$i = 2.5\% (3000)$$

↓