**Solution 1.30**

A publicly traded construction company reported that it just paid off a loan that it received 1 year earlier. If the total amount of money the company paid was $1.6 million and the interest rate on the loan was 10% per year, how much money had the company borrowed 1 year ago?

*Solution:*

P + P(0.10) = 1,600,000

1.1P = 1,600,000

P = $1,454,545