**Solution 1.13**

RKI Instruments borrowed $4,800,000 from a pri­vate equity firm for expansion of its facility for manufacturing carbon monoxide monitors. The company repaid the loan after 1 year with a single payment of $5,184,000. What was the interest rate on the loan?

*Solution:*

i = [(5,184,000 – 4,800,000)/4,800,000]\*100% = 8% per year