**Solution 1.35**

TMI Systems, a company that customizes software for construction cost estimates, repaid a loan ob­tained 3 years ago at 7% per year simple interest. If the amount that TMI repaid was $120,000, calcu­late the principal of the loan.

*Solution:*

F = P + Pni

120,000 = P + P(3)(0.07)

1.21P = 120,000

P = $99,173.55