

$$2. \text{ Money borrowed } (P) = \text{Rs } 12500$$

$$\text{rate } (r) = 12\% \text{ p.a.}$$

$$\text{time } (t) = 3 \text{ years}$$

$$\text{Simple Interest (SI)} = \frac{prt}{100}$$

$$= \frac{12500 \times 12 \times 3}{100}$$

$$= \text{Rs } 4500$$

$$P = \text{Rs } 12500, r = 10\% \text{ p.a.}, n = 3 \text{ years}$$

$$\text{amount } (A) = P \left(1 + \frac{r}{100}\right)^n$$

$$= 12500 \left(1 + \frac{10}{100}\right)^3$$

$$= 12500 \times \frac{11}{10} \times \frac{11}{10} \times \frac{11}{10}$$

$$= \text{Rs } 16637.50$$

$$\text{compound Interest (CI)} = A - P$$

$$= 16637.50 - 12500$$

$$= \text{Rs } 4137.50$$

$$\text{Here CI is less by} = 4500 - 4137.50$$

$$= \text{Rs } 362.50$$