Financial Maths Glossary of Terms

Annual Percentage Rate (APR)	The total yearly cost of borrowing money, expressed as a percentage. It includes the interest rate and fees. APR takes into account that the loan balance reduces over time as the borrower makes repayments, so interest is charged on a decreasing amount.
Compound Interest	Compound interest is interest that is calculated on the principal plus the amount of interest already earned.
Compound Interest Formula	$P \times (1+\frac{R}{100})^t$ P = Principal (original amount) R = compound interest rate (%) T = time (years)
Credit	Borrowing money, or receiving goods and services now and paying for them later.
Exempt from VAT	You do not have to pay any VAT (Value Added Tax).
Gross Price	The total price you pay for something, including all taxes (like VAT) and any extra charges.
Interest Rate	The price you pay for borrowing money.
Interest formula	principal x rate x time
Net Price	The price of something before tax (like VAT) and extra charges are added.
Principal	The original amount of money you borrow or invest, before any interest is added.
Reduced VAT Rate	Goods and services that have less tax added to their price than normal.
Simple Interest	Interest calculated only on the principal amount.

CCPC
Coimisiún um Iomaíocht agus Cosaint Tomhaltóirí
Competition and Consumer Protection Commission