

Rule of 72, 114 and 142

The rule of 72 is a shortcut technique to estimate the number of years it will take for your money to double with compounding interest.

For example: If you are invested Rs. 100, then how much time it will take to double your money, If the rate of interest is 6%?

So, according to rule of 72:

$72 \div 6$ i.e. 12 years.

Rule of 72

$$\text{Investment Rate} \times \text{Number of Years Invested} = 72$$

Rule of 72

$$\text{Number of Years Invested} = \frac{72}{\text{Annual Investment Rate}}$$

Rule of 72

$$\text{Investment Rate} = \frac{72}{\text{Number of Years Invested}}$$