Step 2: Substitute the known values into the formula

Given that the rate $R = 5\%$ and the difference is Rs. 1.50, we can substitute these values into the formula:

$$1.50 = \frac{P \times (5)^2}{100^2}$$

Step 3: Simplify the equation

Calculating $(5)^2$ and $(100)^2$:

$$(5)^2 = 25 \quad \text{and} \quad (100)^2 = 10000$$

Now, substitute these values back into the equation:

$$1.50 = \frac{P \times 25}{10000}$$

Step 4: Rearrange the equation to solve for P

Multiply both sides by 10000 to eliminate the fraction:

$$1.50 \times 10000 = P \times 25$$

$$15000 = P \times 25$$

Now, divide both sides by 25 to isolate P:

$$P = \frac{15000}{25}$$

Step 5: Calculate the value of P

Now, perform the div̇ ˙ ˙˙

$$P = 600$$