

1/23/20

Test 1 is Tuesday, Jan. 28.

Review

$$i = i^{(2)} ?$$

$$v = adf$$

2/Summer 2016) $X = 100v + 300v^2 = 100v(1+3v)$

$$0.64X = 125v^4 + 375v^5$$

Then $0.64X = 125v^4(1+3v)$

$$\therefore 0.64X = 125v^4 \cdot \frac{X}{100v}$$

$$\Rightarrow 0.64 = 1.25v^3 \Rightarrow v^3 = \frac{0.64}{1.25} \Rightarrow v = \frac{4}{5}$$

$$aaf = \left(1 + \frac{i^{(2)}}{2}\right)^2 = v^{-1} = \frac{5}{4}$$

$$i^{(2)} = \cancel{23.6\%}$$

5/Summer 2013) $d = sedr \leftrightarrow s = .05$
 $aaf = e^d$

$$aaf = (1-d)^{-d} = e^{.05}$$

$$d = 1 - e^{-0.025}$$