Financial Models

Compound Interest

\[ F = P \left(1 + \frac{r}{n}\right)^{nt} \]

\[ F = Pe^{rt} \]

21) \[ S_0 = Pe^{-0.3 \times 1.16} \]

\[ P = \frac{S_0}{e^{0.3 \times 1.16}} \]

\[ P = \$47.44 \]
Financial Models

Compound Interest

\[ F = P \left(1 + \frac{r}{n}\right)^{nt} \]

\[ F = Pe^{rt} \]

(21)

\[ 50 = Pe^{0.03 \times 1.75} \]

\[ P = \frac{50}{e^{0.03 \times 1.75}} \]

\[ P \approx 47.44 \]