Financial Models.

Compound Interest Formula

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

Continuously compounded interest formula

\[ F = Pe^{rt} \]

21. \( S_0 = 50 e^{0.08 \times 1.75} \quad F = 50 \quad p = 0 \)

\[ p = \frac{50}{e^{0.08 \times 1.75}} \quad r = 3\% = 0.03 \quad t = 1.75 \quad 1.75 \]

\[ p = \frac{50}{e^{0.08 \times 1.75}} \]

\[ p = 197.44 \]
Financial Models.  

Compound Interest Formula

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

Continuously compounded interest Formula

\[ F = Pe^{rt} \]

21) 

\[ 50 = 0.03 \times 1.75 \quad F = 50 \]

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

\[ P = \frac{50}{e^{0.0525}} \]

\[ P \approx 47.44 \]