Statistics and Probability

Discrete Random Variables

www.Stats-Lab.com

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Compound Interest

- Interest rate $r_{(12)} = 9\%$
- Principal $A(0)$ (also P) $= \$2000$
- Value at the end of period $A(t) = \$3000$

Compound Interest

$$Log_e(1.5) = n \times Log_e(1.0075)$$

Compound Interest

- period in terms of months
  mt= 54.265
- period in terms of years t $= 4.522$ years
- Re-expressing ($0.522 \times 365 = 190$ days approximately)