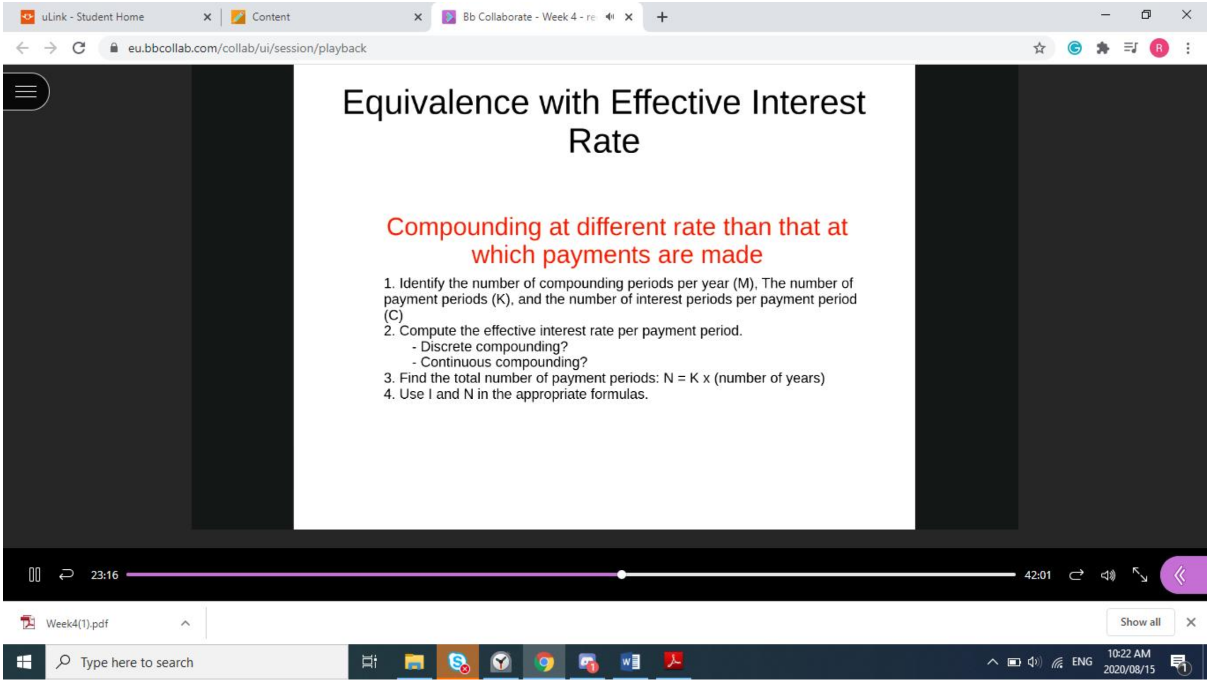
uLink - Student Home
Content
Bb Collaborate - Week 4 - re
eu.bbcollab.com/collab/ui/session/playback
Equivalence with Effective Interest Rate
Compounding at different rate than that at which payments are made
1. Identify the number of compounding periods per year (M), The number of payment periods (K), and the number of interest periods per payment period (C)
2. Compute the effective interest rate per payment period.
- Discrete compounding?
- Continuous compounding?
3. Find the total number of payment periods: N = K x (number of years)
4. Use I and N in the appropriate formulas.
23:16
42:01
Week4(1).pdf
Show all
Type here to search
ENG
10:22 AM
2020/08/15