

1 How to get equation (6') in the lecture notes

$$D = d_0 - d_1(i - i_d) \quad (1)$$

$$L = l_0 + l_1(i - i_L) \quad (2)$$

$$(1 - r)D = L \quad (3)$$

$$i_L - i_d = z + ri_L \quad (4)$$

Rearrange (2) to get

$$i_L = i - \frac{L - l_0}{l_1} = i - \frac{(1 - r)D - l_0}{l_1} \quad (5)$$

because of (3). Plug this into (4) to get

$$i_L - i_d = z + ri_L = z + ri - r \frac{(1 - r)D - l_0}{l_1} \quad (6)$$

Rearrange (1) to

$$i_d = \frac{D - d_0}{d_1} + i \quad (7)$$

and subtract (7) from (5) to get

$$i_L - i_d = i - \frac{(1 - r)D - l_0}{l_1} - \frac{D - d_0}{d_1} - i. \quad (8)$$

Thus from (6) and (8) we get (RHS equal)

$$z + ri - r \frac{(1 - r)D - l_0}{l_1} = - \frac{(1 - r)D - l_0}{l_1} - \frac{D - d_0}{d_1}. \quad (9)$$

Multiply by $d_1 l_1$ to get

$$d_1 l_1 (z + ri) - r d_1 ((1 - r)D - l_0) = -(1 - r)D + l_0 d_1 + (-D + d_0) l_1 \quad (10)$$

Rearrange to get

$$-r d_1 (1 - r)D + (1 - r)D d_1 + D l_1 = (1 - r)l_0 d_1 + d_0 l_1 - d_1 l_1 (z + ri) \quad (11)$$

simplifying

$$(d_1(1 - r)^2 + l_1) D = (1 - r)l_0 d_1 + d_0 l_1 - d_1 l_1 (z + ri) \quad (12)$$

then divide by the coefficient of D on the LHS and use the approximation to get expression (6') in the lecture notes.