

Inna Williams

Problem 1. Suppose you open a savings account with \$1000 initial deposit that pays 0.5 % interest each month. You withdraw \$50 each month.

(i) Construct a model (recursive equation) for the amount of x_n in your account after n month

Answer:

$$x(n+1) = 1.005 \cdot x(n) - 50, x(0) = 1000$$

(iii) Use the explicit- (close form) solution to compute x_{12} and compare with- (ii)

$$\begin{aligned}x_1 &:= 1.005 \cdot x_0 - 50 \\x_2 &:= 1.005 \cdot x_1 - 50 = 1.005 \cdot (1.005 \cdot x_0 - 50) - 50 = (1.005^2) \cdot x_0 - 1.005 \cdot 50 - 50 \\x_3 &:= 1.005 \cdot x_2 - 50 = 1.005 \cdot ((1.005^2) \cdot x_0 - 1.005 \cdot 50 - 50) - 50 = (1.005^3) \cdot x_0 \\&- (1.005^2) \cdot 1.005 \cdot 50 - 50 \\x_n &:= (1.005^n) \cdot x_0 - 50 \cdot (SUM(1.005)^{k-1}, k=1 \text{ to } n) = (1.005^n) \cdot x_0 - 50 \\&\cdot \frac{(1 - 1.005^n)}{1 - 1.005} = (1.005^n) \cdot x_0 + 50 \cdot \frac{(1 - 1.005^n)}{0.005}\end{aligned}$$

closed form :

$$\begin{aligned}x_n &= (1.005^n) \cdot x_0 + 50 \cdot \frac{(1 - 1.005^n)}{0.005} \\x_n &= (1.005^n) \cdot x_0 + 10000 \cdot (1 - 1.005^n) \\x_n &= 1.005^n \cdot (x_0 - 10000) + 10000\end{aligned}$$

Answer:

$$\begin{aligned}\text{if } n = 12 \quad x_{12} &= 1.005^{12} \cdot (x_0 - 10000) + 10000 \\x_{12} &= 444.899692\end{aligned}$$

I used Maple below to calculate the result of the formula above.

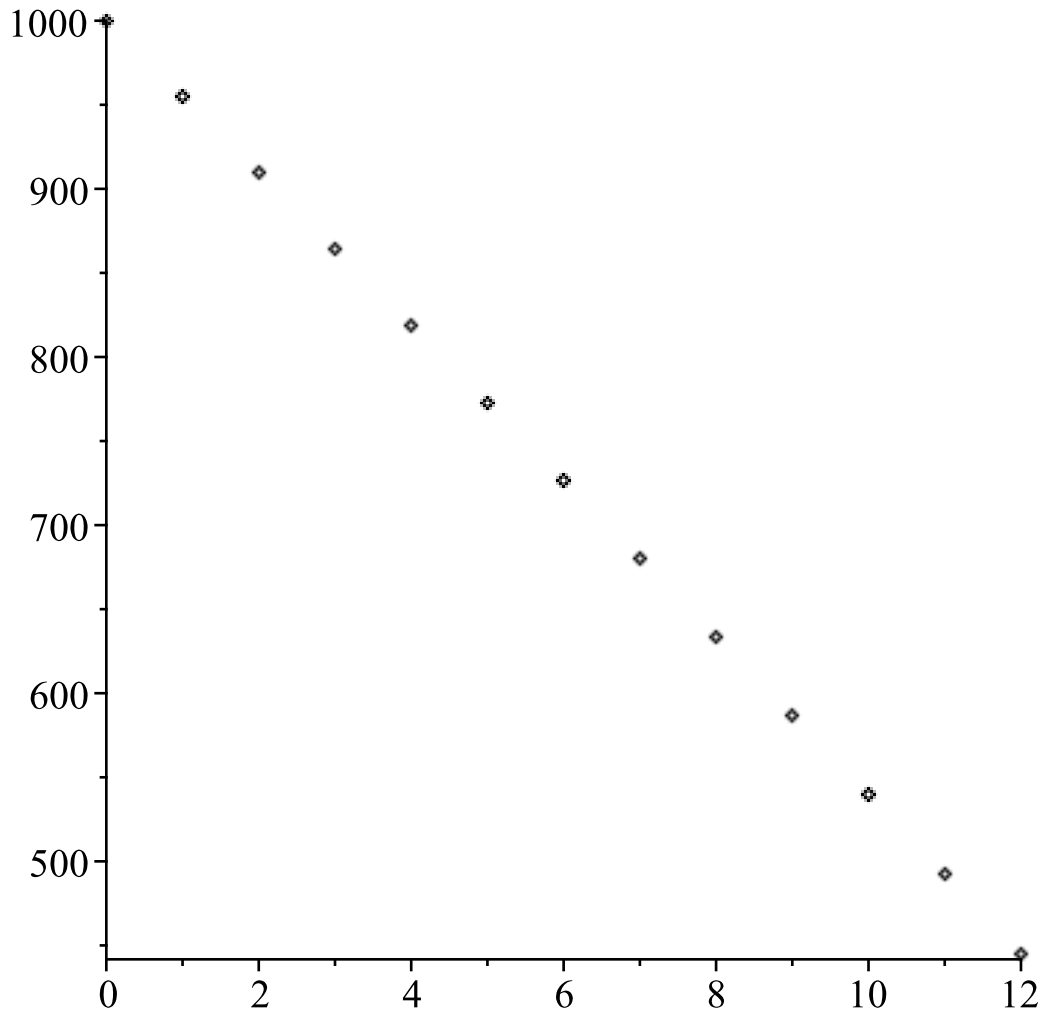
$$\begin{aligned}> x_{12} := 1.005^{12} \cdot (1000 - 10000) + 10000 \\&\quad x_{12} := 444.899692\end{aligned} \tag{1}$$

(ii) Use Excel or Maple to track the balance in your account for one year- (12 month)

$$\begin{aligned}> \text{money} := \text{rsolve}(\{x(n+1) = 1.005 \cdot x(n) - 50, x(0) = 1000\}, x(n)) \\&\quad \text{money} := -9000 \left(\frac{201}{200} \right)^n + 10000\end{aligned} \tag{2}$$

$$\begin{aligned}> \text{seq}(\text{evalf}(\text{money}), n = 0 .. 12) \\&\quad 1000., 955., 909.7750000, 864.3238750, 818.6454944, 772.7387218, 726.6024155, \\&\quad 680.2354275, 633.6366047, 586.8047877, 539.7388116, 492.4375057, 444.8996932\end{aligned} \tag{3}$$

> with(plots) : pointplot({seq([n, evalf(money)], n = 0 ..12) })



Result received in (ii) for 12 month are the same as a result was found in (iii) using formula found in (iii) are the same.

$$x_{12} = 444.89969$$

(V) What is the maximum amount that you could withdraw each month so that the account will never get depleted

$$x_n = (1.005^n) \cdot x_0 + W \cdot \frac{(1 - 1.005^n)}{0.005} > 0$$

$$W > - \frac{(1.005^n) \cdot x_0}{\frac{(1 - 1.005^n)}{0.005}} \rightarrow W > - (1.005^n) \cdot x_0 \cdot \frac{0.005}{(1 - 1.005^n)} \rightarrow$$

$$W > (1.005^n) \cdot x_0 \cdot \frac{0.005}{(1.005^n - 1)}$$

$$\lim_{n \rightarrow \infty} \left(\frac{1.005^n \cdot x_0 \cdot 0.005}{1.005^n - 1} \right) =$$

$$\lim_{n \rightarrow \infty} \left(\frac{x_0 \cdot 0.005}{1 - \frac{1}{1.005^n}} \right)$$

$$\lim_{n \rightarrow \infty} \left(\frac{1}{1.005^n} \right) = 0$$

$$x_0 \cdot 0.005 \cdot \lim_{n \rightarrow \infty} \left(\frac{1}{1 - \frac{1}{1.005^n}} \right) = x_0 \cdot 0.005$$

in our case $x_0 = 1000 \rightarrow W > 1000 \cdot 0.005 \rightarrow W > 5$

Answer:

5 is the maximum amount that can be withdrawn each month so that the account will never get depleted.

If the amount more than 5 it will get depleted if $n \rightarrow \infty$

(IV) Investigate what happens with the account in a long run. If account get depleted, find the exact time when this happens.

close form found in (iii) is $x_n = 1.005^n \cdot (x_0 - 10000) + 10000$,

when account gets depleted $x_n = 0 \rightarrow 1.005^n \cdot (x_0 - 10000) + 10000 = 0$

$$1.005^n = -\frac{10000}{x_0 - 10000} = \frac{10000}{10000 - x_0}$$

$$n \cdot \log(1.005) = \log(10000 / (10000 - x_0))$$

$$n = \log(10000 / (10000 - x_0)) / \log(1.005)$$

$$n = \log(0.9) / \log(1.005)$$

$$n = \log(10/9) / \log(1.005) = \log(1.111) / \log(1.005)$$

Use Maple to calculate n

$$n := \log(1.111) / \log(1.005)$$

$$n := 21.10468865$$

(4)

Answer:

Account gets depleted when $n > 21.104$ or $n = 22$

Problem 2. A patient is given an initial dose of 100mg of a prescription drug.

The body filters out 60% of the drug every 24 hours and patient is administered an additional dose of 50 mg everyday.

(i) Construct a model (recursive equation) for the amount of X_n of medicine in the body after n days.

$$X_{n+1} = X_n - X_n \cdot 0.6 + 50 \rightarrow$$

Answer:

$$\text{Model : } X_{n+1} = X_n \cdot 0.4 + 50, X_0 = 100$$

(ii) Use Excel or Maple to track the drug amount in the body during the first week (7 days).

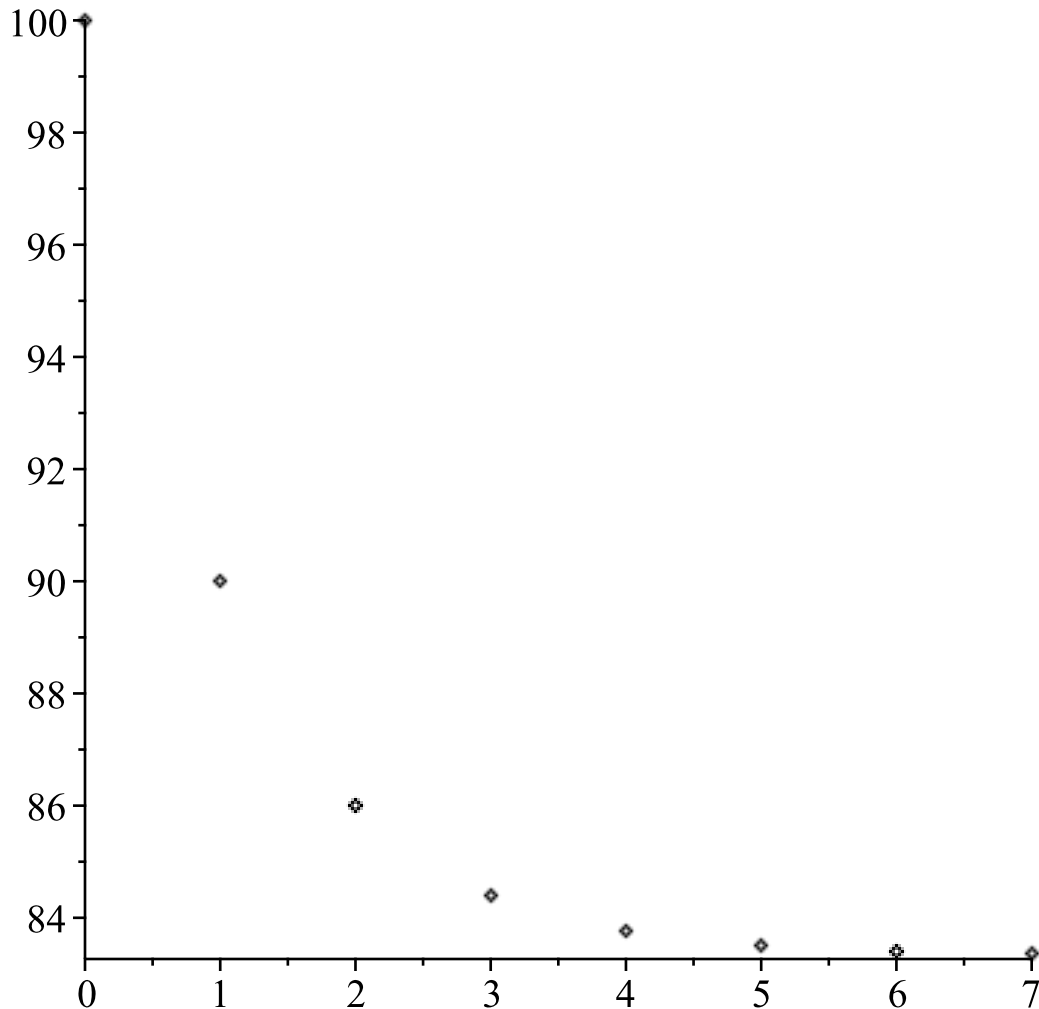
$$\text{drugamount} := \text{rsolve}(\{x(0) = 100, x(n+1) = .4*x(n)+50\}, x(n))$$

(5)

$$\text{drugamount} := \frac{50 \left(\frac{2}{5} \right)^n}{3} + \frac{250}{3} \quad (5)$$

```
> seq(evalf(drugamount), n=0..7)
100., 90., 86., 84.40000000, 83.76000000, 83.50400000, 83.40160000, 83.36064000
```

```
> with(plots) : pointplot( {seq([n, evalf(drugamount)], n=0..7) } )
```



(iii) Investigate what happens with the amount of medicine in a body in a long run.

dynamic system $X_{n+1} = r * X_n + b$ has an explicit solution

$$X_n = r^n * X_0 + b * (1 - r^n) / (1 - r)$$

in our system $r = 0.4$, $b = 50$, $X_0 = 100$, using a general formula we get:

$$X_n = 0.4^n * X_0 + 50 * (1 - 0.4^n) / (1 - 0.4)$$

$$X_n = 0.4^n * X_0 + 83.33 * (1 - 0.4^n)$$

$$\lim_{n \rightarrow \infty} (X_n) = \lim_{n \rightarrow \infty} (0.4^n * X_0 + 83.33 * (1 - 0.4^n)) =$$

$$\lim_{n \rightarrow \infty} (0.4^n * X_0) + 83.33 * \lim_{n \rightarrow \infty} (1 - 0.4^n) =$$

$$\lim_{n \rightarrow \infty} (0.4^n * X_0) = 0$$

->

$$\lim_{n \rightarrow \infty} (X_n) = 83.33$$

if we use maple function to check

> seq(evalf(drugamount), n = 0 .. 20)

100., 90., 86., 84.40000000, 83.76000000, 83.50400000, 83.40160000, 83.36064000,
83.34425600, 83.33770240, 83.33508096, 83.33403238, 83.33361295, 83.33344518,
83.33337807, 83.33335123, 83.33334049, 83.33333620, 83.33333448, 83.33333379,
83.33333352

(7)

Answer:

Closed form solution of the dynamic equation for amount of medicine when $n \rightarrow \infty$ converges to 83.33

(IV) An amount of 150 mg or higher of a drug in the body is considered unsafe.

Can the daily dose of 50 mg be increased without exceeding the safe value.

If yes, by how much?

let dose amount = dose

general solution for X_n is:

$$X_n = 0.4^n * X_0 + \text{dose} * (1 - 0.4^n) / (1 - 0.4)$$

$$X_n = 0.4^n * X_0 + \text{dose} * (1 - 0.4^n) / (0.6)$$

the following inequality will give us the solution for the amount of dose without exceeding the value 150:

$$0.4^n * X_0 + \text{dose} * (1 - 0.4^n) / (0.6) > 150$$

$$0.4^n * X_0 * 0.6 + \text{dose} * (1 - 0.4^n) > 150 * 0.6$$

$$\text{dose} > (90 - 0.4^n * X_0 * 0.6) / (1 - 0.4^n)$$

$$\lim_{n \rightarrow \infty} ((90 - 0.4^n * X_0 * 0.6) / (1 - 0.4^n)) =$$

$$\lim_{n \rightarrow \infty} (90 / (1 - 0.4^n)) + \lim_{n \rightarrow \infty} ((0.4^n * X_0 * 0.6) / (1 - 0.4^n)) =$$

$$\lim_{n \rightarrow \infty} (0.4^n) = 0, \rightarrow \lim_{n \rightarrow \infty} (90 / (1 - 0.4^n)) = 90 \quad (1)$$

$$\lim_{n \rightarrow \infty} ((0.4^n * X_0 * 0.6) / (1 - 0.4^n)) =$$

$$X_0 * 0.6 \lim_{n \rightarrow \infty} \left(\frac{1}{\frac{1}{0.4^n} + 1} \right) = 0 \quad (2)$$

$$\text{from (1) and (2)} \quad \lim_{n \rightarrow \infty} ((90 - 0.4^n * X_0 * 0.6) / (1 - 0.4^n)) = 90.$$

Answer:

Safe value of the drug in the body is < 150 .

Amount can be increased to dose less than 90 (< 90) without exceeding the safe value. When the dose = 90 Amount of the drug in the body converges to 150 and 150 is not safe

There for Dose starting from 90 becomes unsafe.

Problem 3. Complete the steps highlighted in class for finding explicit (close form) solution for Fibonnaci equation $X_{n+1} = X_n + X_{n-1}$ (1) that models his famous question.

"How many pairs of rabbit can be produced in one year starting with one pair if it is supposed that every month each pair begets a new pair which from the second monthon becomes productive.

(a) Show that $X_n = C * \lambda^n$ - (2) can be a solution of the recursive equation if and only if

$$\lambda \text{ satisfies the equation } \lambda^2 - \lambda - 1 = 0, \text{ so } \lambda = \frac{(1 \pm \sqrt{5})}{2}$$

Prove :

$$X_{n+1} = X_n + X_{n-1}, \quad X_n = C * \lambda^n$$

$$C * \lambda^{n+1} = C * \lambda^n + C * \lambda^{n-1}$$

$$\lambda^{n+1} = \lambda^n + \lambda^{n-1}$$

$$\lambda^{n+1} - \lambda^n - \lambda^{n-1} = 0$$

$$\lambda^n \left(\lambda - 1 - \frac{1}{\lambda} \right) = 0$$

$$\text{for all } n = 0, 1, 2, \dots \quad \lambda^n \neq 0 \quad \Rightarrow$$

$$\lambda - 1 - \frac{1}{\lambda} = 0 \quad \Rightarrow \quad \lambda^2 - \lambda - 1 = 0, \quad \lambda = \frac{1 \pm \sqrt{1 - 4 \cdot (-1)}}{2} \quad \Rightarrow \quad \lambda = \frac{(1 \pm \sqrt{5})}{2}$$

(b) Show by direct substitution that $X_n = C_1 * \lambda_1^n + C_2 * \lambda_2^n$

λ_2^n is also a solution of the recurrent relation,

$$\text{where } C_1, C_2 \text{ are arbitrary real coefficients, } \lambda_1 = \frac{(1 + \sqrt{5})}{2}, \quad \lambda_2 = \frac{(1 - \sqrt{5})}{2}$$

Prove:

$$C_1 * \lambda_1^{n+1} + C_2 * \lambda_2^{n+1} = C_1 * \lambda_1^n + C_2 * \lambda_2^n + C_1 * \lambda_1^{n-1} + C_2 * \lambda_2^{n-1}$$

$$C_1 * \lambda_1^{n+1} + C_2 * \lambda_2^{n+1} - C_1 * \lambda_1^n - C_2 * \lambda_2^n - C_1 * \lambda_1^{n-1} - C_2 * \lambda_2^{n-1} = 0$$

$$C_1 * (\lambda_1^{n+1} - \lambda_1^n - \lambda_1^{n-1}) + C_2 * (\lambda_2^{n+1} - \lambda_2^n - \lambda_2^{n-1}) = 0$$

$$C_1 * \lambda_1^n \cdot (\lambda_1^2 - \lambda_1 - 1) + C_2 * \lambda_2^n \cdot (\lambda_2^2 - \lambda_2 - 1) = 0$$

$$C_1 * \lambda_1^n \cdot (\lambda_1^2 - \lambda_1 - 1) + C_2 * \lambda_2^n \cdot (\lambda_2^2 - \lambda_2 - 1) = 0$$

$$C_1 * \lambda_1^n \cdot \left(\lambda_1 - \frac{(1 + \sqrt{5})}{2} \right) \cdot \left(\lambda_1 - \frac{(1 - \sqrt{5})}{2} \right) +$$

$$C_2 * \lambda_2^n \cdot \left(\lambda_2 - \frac{(1 + \sqrt{5})}{2} \right) \cdot \left(\lambda_2 - \frac{(1 - \sqrt{5})}{2} \right) = 0, \quad ,$$

$$\text{Substitute for } \lambda_1 = \frac{(1 + \sqrt{5})}{2}, \quad \lambda_2 = \frac{(1 - \sqrt{5})}{2} \text{ gives us } \Rightarrow$$

$$C_1 * \lambda_1^n \cdot \left(\frac{(1 + \sqrt{5})}{2} - \frac{(1 + \sqrt{5})}{2} \right) \cdot \left(\frac{(1 + \sqrt{5})}{2} - \frac{(1 - \sqrt{5})}{2} \right) +$$

$$C_2 * \lambda_2^n \cdot \left(\frac{(1 - \sqrt{5})}{2} - \frac{(1 + \sqrt{5})}{2} \right) \cdot \left(\frac{(1 - \sqrt{5})}{2} - \frac{(1 - \sqrt{5})}{2} \right) = 0, \quad \Rightarrow$$

$$0 = 0 \Rightarrow C_1 * \lambda_1^n + C_2 * \lambda_2^n \text{ is also a solution of the recurrent relation,}$$

where C_1, C_2 are arbitrary real coefficients,

(c) Use part (b) to find the particular solution corresponding to initial conditions $x_0 = 1, x_1 = 1$.

In other words find the values of C_1 and C_2

$$X_n = C_1 * \left(\frac{(1 + \sqrt{5})}{2} \right)^n + C_2 * \left(\frac{(1 - \sqrt{5})}{2} \right)^n, \quad X_0 = 1, X_1 = 1$$

Solution: Solve the system of 2 equations:

$$C_1 * \left(\frac{(1 + \sqrt{5})}{2} \right)^0 + C_2 * \left(\frac{(1 - \sqrt{5})}{2} \right)^0 = 1$$

$$C_1 *$$

$$\begin{aligned} & \left(\frac{(1 + \sqrt{5})}{2} \right)^1 + C2 * \left(\frac{(1 - \sqrt{5})}{2} \right)^1 = 1 \Rightarrow \\ & C1 + C2 = 1 \\ & C1 \cdot (1 + \sqrt{5}) + C2(1 - \sqrt{5}) = 2 \Rightarrow \end{aligned}$$

$$\left| \begin{array}{cc|c} 1 & 1 & 1 \\ 1 + \sqrt{5} & 1 - \sqrt{5} & 2 \end{array} \right| \Rightarrow$$

$$\left| \begin{array}{cc|c} 1 & 1 & 1 \\ 1 + \sqrt{5} - (1 - \sqrt{5}) & 1 - \sqrt{5} - (1 - \sqrt{5}) & 2 - (1 - \sqrt{5}) \end{array} \right| \Rightarrow$$

$$\left| \begin{array}{cc|c} 1 & 1 & 1 \\ 2\sqrt{5} & 0 & 1 + \sqrt{5} \end{array} \right| \Rightarrow \left| \begin{array}{cc|c} 2\sqrt{5} & 2\sqrt{5} & 2\sqrt{5} \\ 2\sqrt{5} & 0 & 1 + \sqrt{5} \end{array} \right| \Rightarrow$$

$$\left| \begin{array}{cc|c} 0 & 2\sqrt{5} & 2\sqrt{5} - 1 - \sqrt{5} \\ 2\sqrt{5} & 0 & 1 + \sqrt{5} \end{array} \right| \Rightarrow$$

$$\left| \begin{array}{cc|c} 0 & 2\sqrt{5} & -(1 - \sqrt{5}) \\ 2\sqrt{5} & 0 & 1 + \sqrt{5} \end{array} \right| \Rightarrow$$

$$\begin{aligned} & C1 \cdot 0 + C2 \cdot 2\sqrt{5} = -(1 - \sqrt{5}) \\ & C1 \cdot 2\sqrt{5} + C2 \cdot 0 = 1 + \sqrt{5} \Rightarrow \\ & C2 = -\frac{(1 - \sqrt{5})}{2\sqrt{5}}, \quad C1 = \frac{1 + \sqrt{5}}{2\sqrt{5}} \end{aligned}$$

Verify C1 and C2 by substituting in the equations for X0 and X1 :

$$X0 = \frac{1 + \sqrt{5}}{2\sqrt{5}} - \frac{(1 - \sqrt{5})}{2\sqrt{5}} = \frac{(2\sqrt{5})}{2\sqrt{5}} = 1$$

$$\begin{aligned} X1 &= \frac{1 + \sqrt{5}}{2\sqrt{5}} \cdot \left(\frac{1 + \sqrt{5}}{2} \right)^1 - \frac{(1 - \sqrt{5})}{2\sqrt{5}} \cdot \left(\frac{1 - \sqrt{5}}{2} \right)^1 = \\ & \frac{1 + 2\sqrt{5} + 5}{4\sqrt{5}} - \frac{1 - 2\sqrt{5} + 5}{4\sqrt{5}} = \frac{1 + 2\sqrt{5} + 5 - 1 + 2\sqrt{5} - 5}{4\sqrt{5}} = \frac{4\sqrt{5}}{4\sqrt{5}} = 1 \end{aligned}$$

$$\text{Answer: } C2 = -\frac{(1 - \sqrt{5})}{2\sqrt{5}}, \quad C1 = \frac{1 + \sqrt{5}}{2\sqrt{5}}$$

(d) Discuss the long term behavior of the solution in part c

$$\begin{aligned} & \lim_{n \rightarrow \infty} \left(C1 * \left(\frac{(1 + \sqrt{5})}{2} \right)^n + C2 * \left(\frac{(1 - \sqrt{5})}{2} \right)^n, n \rightarrow \infty, C1, C2 \text{ constants} \right) = \\ & C1 * \lim_{n \rightarrow \infty} \left(\left(\frac{(1 + \sqrt{5})}{2} \right)^n, n \rightarrow \infty \right) + C2 * \lim_{n \rightarrow \infty} \left(\left(\frac{(1 - \sqrt{5})}{2} \right)^n, n \rightarrow \infty \right) = \\ & \lim_{n \rightarrow \infty} \left(\left(\frac{(1 + \sqrt{5})}{2} \right)^n, n \rightarrow \infty \right) = \lim_{n \rightarrow \infty} \left(1.618^n, n \rightarrow \infty \right) = \infty \end{aligned}$$

$$\lim_{n \rightarrow \infty} \left(\left(\frac{(1 - \sqrt{5})}{2} \right)^n, n \rightarrow \infty \right) = \lim_{n \rightarrow \infty} \left(1.618^n, n \rightarrow \infty \right) = 0$$

Xn -> infinity, if n -> infinity

Problem 4. Consider recursive relation $X_{n+1} = X_n + 2X_{n-1}$, $X_0=1$, $X_1=1$

(a) How would you interpret this model in terms of Fibonacci's rabbit model.

Answer:

The newly-born rabbits are 3 females and one male, rabbits are able to mate at age of one month so that at the end of its second month a female can produce another 3 females and one male. Every month from the second month 3 females and one male are born.

(b) Use Excel (or) Maple to calculate X12

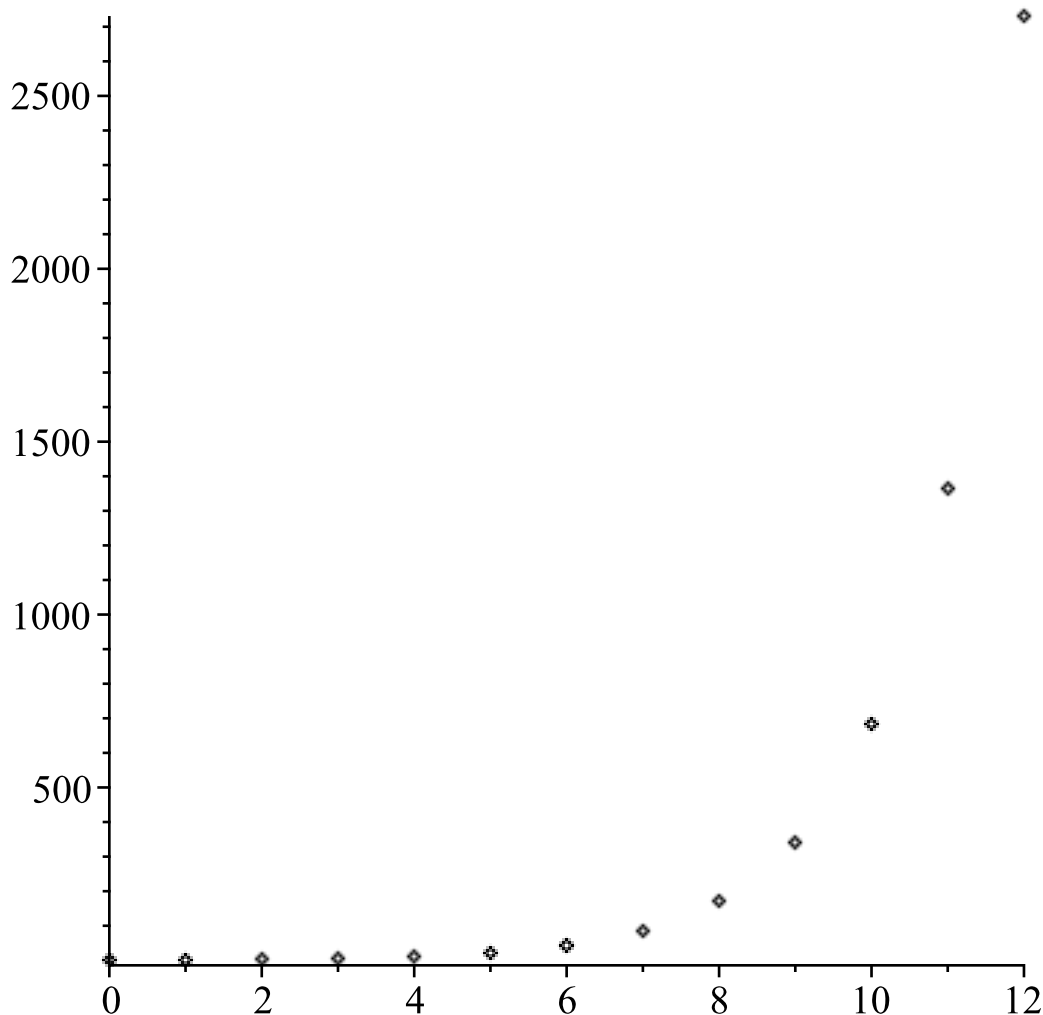
> $fib := rsolve(\{x(n+1) = x(n) + 2.0 \cdot x(n-1), x(0) = 1, x(1) = 1\}, x(n))$

$$fib := \frac{(-1)^n}{3} + \frac{2 \cdot 2^n}{3} \quad (8)$$

> $seq(evalf(fib), n = 0..12)$

$$1., 1., 3., 5., 11., 21., 43., 85., 171., 341., 683., 1365., 2731. \quad (9)$$

> $with(plots) : pointplot(\{seq([n, evalf(fib)], n = 0..12)\})$

**(c) Follow the steps in problem 3 to find explicit (closed form) formula for Xn and calculate X12.****Solution:**

$$X_{n+1} = X_n + 2 \cdot X_{n-1}, \quad X_n = C \cdot \lambda^n$$

$$C \cdot \lambda^{n+1} = C \cdot \lambda^n + 2 \cdot C \cdot \lambda^{n-1}$$

$$C \cdot \lambda^n (\lambda^{n+1} - \lambda^n + 2 \cdot \lambda^{n-1}) = 0$$

$$C * \lambda^n \left(\lambda - 1 - \frac{2}{\lambda} \right) = 0$$

$$C * \lambda^n (\lambda^2 - \lambda - 2) = 0$$

$$\lambda = \frac{1 + \sqrt{(1 - 4 \cdot (1) \cdot (-2))}}{2} = \frac{1 \pm 3}{2}$$

$$\lambda_1 = 2, \lambda_2 = -1$$

$$X_n = C_1 * \lambda_1^n + C_2 * \lambda_2^n, X_0 = 1, X_1 = 1$$

find C1 and C2

$$X_n = C_1 * 2^n + C_2 * (-1)^n, X_0 = 1, X_1 = 1$$

from the following system of equations we will find C1 and C2

$$C_1 * 2^0 + C_2 * (-1)^0 = 1$$

$$C_1 * 2^1 + C_2 * (-1)^1 = 1 \Rightarrow$$

$$\begin{array}{rcl} C_1 & + & C_2 = 1 \\ 2 * C_1 & - & C_2 = 1 \Rightarrow \end{array}$$

$$\begin{array}{cc|c} 1 & 1 & 1 \\ 2 & -1 & 1 \end{array} \Rightarrow$$

$$\begin{array}{cc|c} 0 & 3 & 1 \\ 2 & -1 & 1 \end{array} \Rightarrow$$

$$\begin{array}{cc|c} 0 & 3 & 1 \\ 6 & -3 & 3 \end{array} \Rightarrow$$

$$\begin{array}{cc|c} 0 & 3 & 1 \\ 6 & 0 & 4 \end{array} \Rightarrow$$

$$\begin{array}{l} 3 * C_2 = 1 \\ 6 * C_1 = 4 \end{array} \Rightarrow$$

$$C_1 = \frac{2}{3}, C_2 = \frac{1}{3}$$

$$\text{There for } X_n = \frac{2}{3} \cdot 2^n + \frac{1}{3} \cdot (-1)^n$$

$$X_{12} = \frac{2}{3} \cdot 2^{12} + \frac{1}{3} \cdot (-1)^{12}$$

$$X_{12} = \frac{2}{3} \cdot 2^{12} + \frac{1}{3}$$

$$X_{12} = \frac{2}{3} \cdot 2^{12} + \frac{1}{3} = 2730.66 + 0.33 = 2730.99$$

$$> \text{eval}\left(\frac{2}{3} \cdot 2^{12} + \frac{1}{3}\right)$$

2731

(10)

Answer:

$$\text{closed form formula for } X_n = \frac{2}{3} \cdot 2^n + \frac{1}{3} \cdot (-1)^n$$

The value for $X_{12} = 2731$ is the same as we got in (b)