

Step-1

(a) Consider $A = \begin{bmatrix} 0 & 4 \\ \frac{1}{4} & 0 \end{bmatrix}$, we have to find eigenvalues of matrix A .

Solve $\det(A - \lambda I) = 0$, to find the eigenvalues λ .

$$\begin{aligned} \det(A - \lambda I) &= 0 \\ \det \begin{bmatrix} 0 - \lambda & 4 \\ \frac{1}{4} & 0 - \lambda \end{bmatrix} &= 0 \\ \lambda^2 - 1 &= 0 \\ \lambda &= \pm 1 \end{aligned}$$

Therefore, the eigenvalues of matrix A are $\lambda_1 = 1$ and $\lambda_2 = -1$.

Step-2

The eigenvector for $\lambda_1 = 1$ is given by

$$(A - \lambda_1 I)x_1 = \begin{bmatrix} -1 & 4 \\ \frac{1}{4} & -1 \end{bmatrix} \begin{bmatrix} y \\ z \end{bmatrix} = \begin{bmatrix} 0 \\ 0 \end{bmatrix}$$

The solution (the first eigenvector) is any nonzero multiple of x_1 , thus eigenvector for $\lambda_1 = 1$ is $x_1 = \begin{bmatrix} 4 \\ 1 \end{bmatrix}$.

The eigenvector for $\lambda_2 = -1$ is given by

$$(A - \lambda_2 I)x_2 = \begin{bmatrix} 1 & 4 \\ \frac{1}{4} & 1 \end{bmatrix} \begin{bmatrix} y \\ z \end{bmatrix} = \begin{bmatrix} 0 \\ 0 \end{bmatrix}$$

The solution (the second eigenvector) is any nonzero multiple of x_2 , thus eigenvector for $\lambda_2 = -1$ is $x_2 = \begin{bmatrix} -4 \\ 1 \end{bmatrix}$.

Step-3

(b) We know that, if A can be diagonalized, $A = S\Lambda S^{-1}$, then $du/dt = Au$ has a solution

$$\begin{aligned} u(t) &= e^{At} u(0) \\ &= S e^{\Lambda t} S^{-1} u(0) \end{aligned}$$

The eigenvector matrix of A is given by

$$S = \begin{bmatrix} 4 & -4 \\ 1 & 1 \end{bmatrix}$$

And we have

$$S^{-1} = \begin{bmatrix} \frac{1}{8} & \frac{1}{2} \\ -\frac{1}{8} & \frac{1}{2} \end{bmatrix}$$

The Eigen values matrix of A is given by

$$\Lambda = \begin{bmatrix} 1 & 0 \\ 0 & -1 \end{bmatrix}$$

Step-4

Using the above matrices we have to find $A = S \Lambda S^{-1}$.

$$\begin{aligned} A &= S \Lambda S^{-1} \\ &= \begin{bmatrix} 4 & -4 \\ 1 & 1 \end{bmatrix} \begin{bmatrix} 1 & 0 \\ 0 & -1 \end{bmatrix} \begin{bmatrix} \frac{1}{8} & \frac{1}{2} \\ -\frac{1}{8} & \frac{1}{2} \end{bmatrix} \end{aligned}$$

Hence,

$$\begin{aligned} e^{At} &= S e^{\Lambda t} S^{-1} \\ &= \begin{bmatrix} 4 & -4 \\ 1 & 1 \end{bmatrix} \begin{bmatrix} e^t & 0 \\ 0 & e^{-t} \end{bmatrix} \begin{bmatrix} \frac{1}{8} & \frac{1}{2} \\ -\frac{1}{8} & \frac{1}{2} \end{bmatrix} \end{aligned}$$

By using the initial condition $u(0) = \begin{bmatrix} 100 \\ 100 \end{bmatrix}$, we have

$$\begin{aligned}
u(t) &= e^{At}u(0) \\
&= \begin{bmatrix} 4 & -4 \\ 1 & 1 \end{bmatrix} \begin{bmatrix} e^t & 0 \\ 0 & e^{-t} \end{bmatrix} \begin{bmatrix} \frac{1}{8} & \frac{1}{2} \\ -\frac{1}{8} & \frac{1}{2} \end{bmatrix} \begin{bmatrix} 100 \\ 100 \end{bmatrix} \\
&= \begin{bmatrix} 4 & -4 \\ 1 & 1 \end{bmatrix} \begin{bmatrix} e^t & 0 \\ 0 & e^{-t} \end{bmatrix} \begin{bmatrix} \frac{125}{2} \\ \frac{75}{2} \end{bmatrix} \\
&= \begin{bmatrix} 4 & -4 \\ 1 & 1 \end{bmatrix} \begin{bmatrix} \frac{125}{2}e^t \\ \frac{75}{2}e^{-t} \end{bmatrix} \\
u(t) &= \begin{bmatrix} 250e^t - 150e^{-t} \\ \frac{125}{2}e^t + \frac{75}{2}e^{-t} \end{bmatrix}
\end{aligned}$$

Therefore, the income to stockbrokers is $v(t) = 250e^t - 150e^{-t}$ and the income to client is $w(t) = \frac{125}{2}e^t + \frac{75}{2}e^{-t}$.

Step-5

(c) We know that, the income to stockbrokers is $v(t) = 250e^t - 150e^{-t}$ and the income to client is $w(t) = \frac{125}{2}e^t + \frac{75}{2}e^{-t}$.

So the ratio of v by w is given by

$$\frac{v(t)}{w(t)} = \frac{250e^t - 150e^{-t}}{\frac{125}{2}e^t + \frac{75}{2}e^{-t}}$$

Step-6

If $t \rightarrow \infty$ then $150e^{-t} \rightarrow 0$ and $\frac{75}{2}e^{-t} \rightarrow 0$, so we get

$$\begin{aligned}
\frac{v(t)}{w(t)} &= \frac{250e^t}{\frac{125}{2}e^t} \\
&= 4
\end{aligned}$$

This implies $v(t) = 4w(t)$.

Therefore, the income to stockbrokers is four times the income to client.