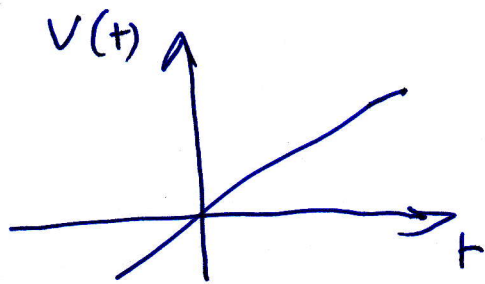


Note : Comparison between compounded and simple interest

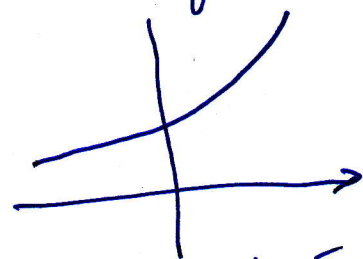
SI $V(t) = P(1+rt)$
 $= a + bt$



\$ 1000
 $r = 5\%$
annually

SI = \$1050
After 2 years SI = 1100

C-I. $V(t) = P(1+r/t)^{nt}$
General exponential function



CI = 1050
CI = 1102.5