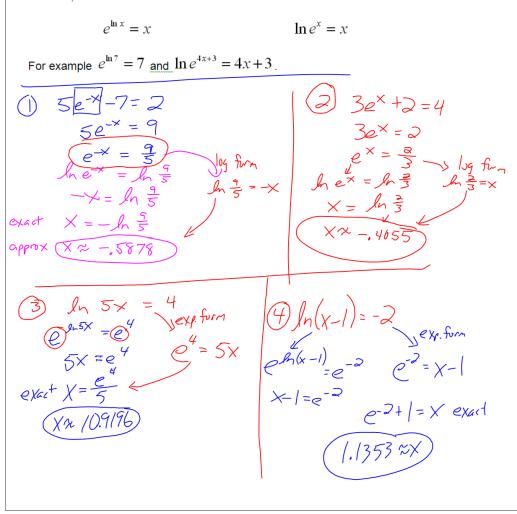


Since the natural base function and the natural logarithmic function are inverses, these two functions can be used to "undo" each other.



When interest is compounded continuously, the amount A in an account after t years is found using the formula  $A = Pe^{rt}$ , where P is the amount of principal and  $\mathcal{F}$  is the annual interest rate (as a decimal).

Suppose you deposit \$1000 in an account paying 2.5% annual interest, compounded continuously, what is the balance after 10 years? 15 years?

A=1000e.025(10) A=\$1284.03

A=1000e<sup>605(15)</sup> A=\$1454.99

9.5 WEST -> due tomarrow

midtern-due Thursday (5 pts.)