

3. A pond is stocked with 1000 trout. After 3 months, only 600 trout remain. Find a formula which predicts how much trout will be present after t months.

$$N(t) = N_0 e^{-kt}$$

$$N(t) = 1000 e^{-kt}$$

$$600 = 1000 e^{-k(3)}$$

$$\ln(600) = \ln(1000 e^{-k(3)})$$

$$\ln(600) = \ln(1000) - 3k$$

$$\frac{\ln(1000) - \ln(600)}{3} = k$$

$$N(t) = 1000 e^{-\left(\frac{\ln(1000) - \ln(600)}{3}\right)t}$$

How long will it be until there are only half as many trout as began in the pond?

$$500 = 1000 e^{-\left(\frac{\ln(1000) - \ln(600)}{3}\right)t}$$

$$\frac{1}{2} = e^{-\left(\frac{\ln(1000) - \ln(600)}{3}\right)t}$$

$$\ln\left(\frac{1}{2}\right) = -\left(\frac{\ln(1000) - \ln(600)}{3}\right)t$$

$$\frac{\ln\left(\frac{1}{2}\right)}{-\left(\frac{\ln(1000) - \ln(600)}{3}\right)} = t \text{ months}$$

4. Alice's bank offers interest at a rate of 5% compounded continuously. Bob's bank offers interest at a rate r compounded monthly. Craig invests an equal amount of money at each of Alice and Bob's banks, and after two years Craig has the same amount of money in both accounts. Find r .

$$A = P e^{0.05t} \quad B = P \left(1 + \frac{r}{12}\right)^{12t}$$

(when $t=2$, $A=B$)

$$P e^{0.05(2)} = P \left(1 + \frac{r}{12}\right)^{12(2)}$$

$$e^{0.1} = \left(1 + \frac{r}{12}\right)^{24}$$

~~$$e^{0.1} = \left(1 + \frac{r}{12}\right)^{24}$$~~

$$\left(e^{0.1}\right)^{\frac{1}{24}} = 1 + \frac{r}{12}$$

$$12 \left(\left(e^{0.1}\right)^{\frac{1}{24}} - 1 \right) = r$$

If Craig plans on maximizing his interest over the span of 5 years, which bank should he invest his savings in, and why?

It doesn't matter. They always both pay out exactly the same!

$$A = P e^{0.05t} \quad B = P \left(1 + \frac{12 \left(\left(e^{0.1}\right)^{\frac{1}{24}} - 1 \right)}{12}\right)^{12t} = P \left(\left(e^{0.1}\right)^{\frac{1}{24}} \right)^{12t} = P e^{0.05t}$$