

## Compound Interest

$$A = P \left( 1 + \frac{r}{n} \right)^{nt}$$

**Continuously Compounded  
Interest**

$$A = Pe^{rt}$$

## Simple and Compound Interest

Simple Interest

$$I = PRT$$

I = interest

P = principal

R = annual rate

T = time in years

Compound Interest

$$FV = PV \times (1+r)^n$$

FV = future value

PV = present value

r = annual interest rate

n = number of periods

ex. If the interest is compounded quarterly (every 3 months), and the length of the investment is one year, then  $n = 4$  periods.

## Simple Interest

$$I = prt$$