

Name: _____

Preview: Chapter 1: The Measurement of Interest

Directions: Print out and complete, based on your reading of the text. If there are multiple sheets, staple together the top left corners (in the correct order). Turn in at the start of class on the date due. Do not submit answers on notebook paper or via email. No credit for late or incomplete preview assignments. Assignments may be turned in, in advance, to my mailbox in 233 MSB.

§1.8: Nominal rates of interest and discount

1. Rates of interest and discount in situations in which interest is paid _____
_____ are called **nominal rates**.

2. Define each of the following.

(a) **interest conversion period**

(b) **nominal rate of interest payable m times per period**

(c) **nominal rate of discount payable m times per period**

3. State equations relating the following.

(a) i and $i^{(m)}$

(b) d and $d^{(m)}$

(c) $i^{(m)}$ and $d^{(p)}$