





7.1 & 7.2 Graphing Exponential Growth & Decay Functions





DLT

What is number "e"?

https://www.youtube.com/watch?v=R0oUeLQIbIk

7.3 Use Functions with The number "e"

$$(1 + 1/n)^n$$

KEY CONCEPT The Natural Base *e*

For Your Notebook

The natural base *e* is irrational. It is defined as follows: As *n* approaches $+\infty$, $\left(1 + \frac{1}{n}\right)^n$ approaches $e \approx 2.718281828$.

The history of mathematics is marked by the discovery of special numbers such as π and *i*. Another special number is denoted by the letter *e*. The number is called the **natural base** *e* or the *Euler number* after its discoverer, Leonhard Euler

(1707–1783). The expression $\left(1 + \frac{1}{n}\right)^n$ approaches *e* as *n* increases.

Let's graph e

Natural Base Functions $y = \alpha e^{\zeta \times}$

A function of the form $y = ae^{rx}$ is called a *natural base exponential function*.

- If a > 0 and r > 0, the function is an exponential growth function.
- If a > 0 and r < 0, the function is an exponential decay function.

The graphs of the basic functions $y = e^x$ and $y = e^{-x}$ are shown below.









X⁻⁴















FORMULAS FOR WORD PROBLEMS

EXPONENTIAL GROWTH MODELS When a real-life quantity increases by a fixed percent each year (or other time period), the amount *y* of the quantity after *t* years can be modeled by the equation

$$y = a(1 + r)^{t}$$

where *a* is the initial amount and *r* is the percent increase expressed as a decimal. Note that the quantity 1 + r is the growth factor.

EXPONENTIAL DECAY MODELS When a real-life quantity decreases by a fixed percent each year (or other time period), the amount *y* of the quantity after *t* years can be modeled by the equation

$$y = a(1-r)^t$$

where *a* is the initial amount and *r* is the percent decrease expressed as a decimal. Note that the quantity 1 - r is the decay factor.

<u>Compound Interest Formula</u> - where P is the principle deposited, an at annual rate (r), compounded (n) times per year, and t is the time. A is the amount in the account at the end of the time period.

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

Compounded Continuously Formula where A is the amount after t years at r the interest rate

$$A = Pe^{rt}$$



2) Your deposit \$3000 in an account that pays 3.5% annual interest compounded continuously. What is the balance after 3 years?

3) The car you bought for \$5500 depreciates 10% each year. How much will it be worth in 3 years?

$$Y = \alpha (1 - r)^{t}$$

 $Y = 5500(1 - 10)^{3}$
 $$ 4009.50$

Due Monday: Extra Practice ACT Due Thursday: Unit Plan Day 2 and WP WS

Classwork: Word Problem WS Homework: *Look on unit Plan *Quiz !!!!

(graphing and word problems)