

AAU - Business Mathematics I Lecture #12, May 18, 2009

12 Review Lecture

Equations and Inequalities

Problem 1: Solve the absolute value inequality. Write the solution set using interval notation: |4x + 7| < 5

Solution:

$$\begin{split} |4x+7| &< 5 \\ -5 &< 4x+7 < 5 \quad /-7 \\ -12 &< 4x < -2 \quad / \div 4 \\ -3 &< x < -1/2 \quad \Rightarrow \quad x \in (-3, -1/2) \end{split}$$

Problem 2: Write as a single interval, using interval notation: $(-\infty, 1) \cap (-10, 5)$

Solution: $(-\infty, 1) \cap (-10, 5) = (-\infty, 5)$

Problem 3: Solve the following inequality for x. Express the solution set using interval notation: $\frac{1}{2}x - 4 < \frac{1}{3}x + 5$

Solution:

$$\begin{aligned} &\frac{1}{2}x - 4 < \frac{1}{3}x + 5 \\ &\frac{1}{2}x - \frac{1}{3}x < 5 + 4 \\ &\frac{1}{6}x < 9 \\ &x < 54 \implies x \in (-\infty, 54) \end{aligned}$$

Problem 4: Solve the compound inequality for x. Express the solution set using interval notation: $8 \le 5 - x$ or 3x - 2 > 10

Solution:

$$\begin{split} &8 \leq 5 - x \quad \text{or} \quad 3x - 2 > 10 \\ &-3 \leq -x \quad \text{or} \quad 3x > 12 \\ &x \leq 3 \quad \text{or} \quad x > 4 \quad \Rightarrow \quad x \in (-\infty, 3] \quad \text{or} \quad x \in (4, \infty) \end{split}$$

Exponents and Logarithms

Problem 5: Solve for *x*: $\log(3x - 9) = \log(2x - 6)$

Solution:

$$log(3x - 9) = log(2x - 6) 3x - 9 = 2x - 6 3x - 2x = -6 + 9 x = 3$$

Problem 6: Find the exact solution for x: $(1.3)^{2x} = 4$

Solution:

$$(1.3)^{2x} = 4$$
$$\ln \left[(1.3)^{2x} \right] = \ln 4$$
$$(2x) \ln \left[(1.3) \right] = \ln 4$$
$$2x = \frac{\ln 4}{\ln \left[(1.3) \right]}$$
$$x = \frac{\ln 4}{2 \ln \left[(1.3) \right]}$$

Problem 7: Solve the equation for x: $\left(\frac{2}{3}\right)^{x+1} = \frac{8}{27}$

Solution:

$$\left(\frac{2}{3}\right)^{x+1} = \frac{8}{27}$$
$$\left(\frac{2}{3}\right)^{x+1} = \left(\frac{2}{3}\right)^3$$
$$x+1=3$$
$$x=2$$

Matrices and Determinants

Problem 8: When the system of linear equations is solved, what is the value of x and y? x - 2y = 4, 3x - y = -3

Solution:

 $\begin{array}{ll} x-2y=4 & \Rightarrow & x=4+2y \quad \text{plug in the second equation:} \\ 3(4+2y)-y=-3 \\ 12+6y-y=-3 \\ 5y=-15 \\ y=-3 \quad \text{plug in the first equation to find the value of } x \\ x=4+2y=4+2(-3)=4-6=-2 \\ \Rightarrow & x=-2, \ y=-3 \end{array}$

Problem 9: Find product of the following matrices:

$$A = \begin{pmatrix} 1 & 4 \\ -2 & 0 \end{pmatrix} \qquad B = \begin{pmatrix} 3 & -1 \\ 2 & 2 \end{pmatrix}$$

Solution:

$$AB = \begin{pmatrix} 1 & 4 \\ -2 & 0 \end{pmatrix} \begin{pmatrix} 3 & -1 \\ 2 & 2 \end{pmatrix} = \begin{pmatrix} 1 \cdot 3 + 4 \cdot 2 & 1 \cdot (-1) + 4 \cdot 2 \\ -2 \cdot 3 + 0 \cdot 2 & -2 \cdot (-1) + 0 \cdot 2 \end{pmatrix} = \begin{pmatrix} 11 & 7 \\ -6 & 2 \end{pmatrix}$$

Problem 10: Find the following determinants:

(a)
$$\begin{vmatrix} 1 & -3 \\ -2 & 1 \end{vmatrix}$$

(b) $\begin{vmatrix} 2 & 2 & 3 \\ 3 & -1 & -1 \\ -2 & 1 & 0 \end{vmatrix}$

Solution:

(a)
$$\begin{vmatrix} 1 & -3 \\ -2 & 1 \end{vmatrix} = 1 \cdot 1 - (-2)(-3) = 1 - 6 = -5$$

(b) $\begin{vmatrix} 2 & 2 & 3 \\ 3 & -1 & -1 \\ -2 & 1 & 0 \end{vmatrix} = 2(-1)^{1+1}[(-1) \cdot 0 - 1 \cdot (-1)] + 2(-1)^{1+2}[3 \cdot 0 - (-1)(-2)] + 3(-1)^{1+3}[3 \cdot 1 - (-1)(-2)] = 2 + 4 + 3 = 9$

Problem 11: Solve the following systems using (i) matrix method, (ii) inverse matrix, and (iii) Cramer's rule:

 $x + y = 1, \ 3x - 4y = -18$

Solution: Matrix method:

$$\begin{pmatrix} 1 & 1 & | & 1 \\ 3 & -4 & | & -18 \end{pmatrix} \xrightarrow{\times (-3)} \sim \begin{pmatrix} 1 & 1 & | & 1 \\ 0 & -7 & | & -21 \end{pmatrix} \div (-7) \sim$$
$$\sim \begin{pmatrix} 1 & 1 & | & 3 \\ 0 & 1 & | & 3 \end{pmatrix} \xrightarrow{\searrow} \sim \begin{pmatrix} 1 & 0 & | & -2 \\ 0 & 1 & | & 3 \end{pmatrix} \Rightarrow \begin{array}{c} x = -2 \\ y = 3 \end{array}$$

Inverse matrix:

$$A = \begin{pmatrix} 1 & 1 \\ 3 & -4 \end{pmatrix}$$

$$\begin{pmatrix} 1 & 1 \\ 3 & -4 \\ 0 & 1 \end{pmatrix} \times \begin{pmatrix} -3 \\ \swarrow \end{pmatrix} \sim \begin{pmatrix} 1 & 1 \\ 0 & -7 \\ -3 & 1 \end{pmatrix} \begin{pmatrix} 1 & 0 \\ \div (-7) \end{pmatrix} \sim$$

$$\sim \begin{pmatrix} 1 & 1 \\ 0 & 1 \\ 3/7 & -1/7 \end{pmatrix} \times \begin{pmatrix} -1 \\ 1 \end{pmatrix} \sim \begin{pmatrix} 1 & 0 \\ 0 & 1 \\ 3/7 & -1/7 \end{pmatrix}$$

$$A^{-1} = \begin{pmatrix} 4/7 & 1/7 \\ 3/7 & -1/7 \end{pmatrix}$$

Check:

$$AA^{-1} = \begin{pmatrix} 1 & 1 \\ 3 & -4 \end{pmatrix} \begin{pmatrix} 4/7 & 1/7 \\ 3/7 & -1/7 \end{pmatrix} = \begin{pmatrix} 1 \cdot 4/7 + 1 \cdot 3/7 & 1 \cdot 1/7 + 1 \cdot (-1/7) \\ 3 \cdot 4/7 + (-4) \cdot 3/7 & 3 \cdot 1/7 - 4 \cdot (-1/7) \end{pmatrix} = \begin{pmatrix} 1 & 0 \\ 0 & 1 \end{pmatrix}$$
$$AX = B \longrightarrow \begin{pmatrix} 1 & 1 \\ 3 & -4 \end{pmatrix} \begin{pmatrix} x \\ y \end{pmatrix} = \begin{pmatrix} 1 \\ -18 \end{pmatrix}$$
$$X = A^{-1}B \longrightarrow \begin{pmatrix} x \\ y \end{pmatrix} = \begin{pmatrix} 4/7 & 1/7 \\ 3/7 & -1/7 \end{pmatrix} \begin{pmatrix} 1 \\ -18 \end{pmatrix} = \begin{pmatrix} \frac{4}{7} \cdot 1 + \frac{1}{7} \cdot (-18) \\ \frac{3}{7} \cdot 1 - \frac{1}{7} \cdot (-18) \end{pmatrix} = \begin{pmatrix} -2 \\ 3 \end{pmatrix} \Rightarrow \begin{array}{c} x = -2 \\ y = 3 \end{array}$$

Cramer's rule:

$$x = \frac{\begin{vmatrix} 1 & 1 \\ -18 & -4 \end{vmatrix}}{\begin{vmatrix} 1 & 1 \\ 3 & -4 \end{vmatrix}} = \frac{14}{-7} = -2$$

$$y = \frac{\begin{vmatrix} 1 & 1 \\ 3 & -18 \end{vmatrix}}{\begin{vmatrix} 1 & 1 \\ 3 & -4 \end{vmatrix}} = \frac{-21}{-7} = 3$$

Financial Mathematics

Problem 12: If \$4500 is deposited in a bank account paying 8% compounded quarterly, then how much interest will be earned at the end of 6 years? Hint: $A = P \left(1 + \frac{i}{t}\right)^{nt}$

Solution:

$$A = P\left(1 + \frac{i}{t}\right)^{nt}$$
$$A = 4500\left(1 + \frac{0.08}{4}\right)^{4.6} = 4500 \cdot 1.02^{24} = 7237.97$$

The amount of money in a bank account will be \$7237.97 what means that the interest earned is 7237.97 - 4500 = 2737.97

Problem 13: Celia has invested \$2500 at 11% yearly interest. How much must she invest at 12% so that the interest from both investments totals \$695 after a year?

Solution: The interest from the first investment is:

$$A = P(1+i)^n$$

$$A = 2500(1+0.11)^1 = 2500 \cdot 1.11 = 2775$$

Hence the interest from the first investment is 2775 - 2500 = 275.

The total investment is supposed to be \$695 what means that the interest from the second investment has to be \$695 - \$275 = \$420.

$$P + 420 = P(1+i)^{n}$$

$$P + 420 = P(1+0.12)^{n}$$

$$P + 420 = P \cdot 1.12^{1}$$

$$420 = P \cdot 1.12 - P = 0.12P$$

$$P = \frac{420}{0.12} = 3500$$

Problem 14: After a 7% increase in salary, Laurie makes \$1016.50 per month. How much did she earn per month before the increase?

Solution: Let's denote the original salary S. The according to the setup we have that:

S + 0.07S = 1016.50 1.07S = 1016.50 $S = \frac{1016.50}{1.07} = 950$