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: $|4 x+7|<5$

## Solution:

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

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:

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

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

## Solution:

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

## Exponents and Logarithms

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

## Solution:

$$
\begin{aligned}
& \log (3 x-9)=\log (2 x-6) \\
& 3 x-9=2 x-6 \\
& 3 x-2 x=-6+9 \\
& x=3
\end{aligned}
$$

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

## Solution:

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

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

## Solution:

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

## Matrices and Determinants

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

## Solution:

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

Problem 9: Find product of the following matrices:

$$
A=\left(\begin{array}{cc}
1 & 4 \\
-2 & 0
\end{array}\right) \quad B=\left(\begin{array}{cc}
3 & -1 \\
2 & 2
\end{array}\right)
$$

## Solution:

$$
A B=\left(\begin{array}{cc}
1 & 4 \\
-2 & 0
\end{array}\right)\left(\begin{array}{cc}
3 & -1 \\
2 & 2
\end{array}\right)=\left(\begin{array}{cc}
1 \cdot 3+4 \cdot 2 & 1 \cdot(-1)+4 \cdot 2 \\
-2 \cdot 3+0 \cdot 2 & -2 \cdot(-1)+0 \cdot 2
\end{array}\right)=\left(\begin{array}{cc}
11 & 7 \\
-6 & 2
\end{array}\right)
$$

Problem 10: Find the following determinants:
(a) $\quad\left|\begin{array}{cc}1 & -3 \\ -2 & 1\end{array}\right|$
(b) $\quad\left|\begin{array}{ccc}2 & 2 & 3 \\ 3 & -1 & -1 \\ -2 & 1 & 0\end{array}\right|$

## Solution:

(a) $\left|\begin{array}{cc}1 & -3 \\ -2 & 1\end{array}\right|=1 \cdot 1-(-2)(-3)=1-6=-5$
(b) $\left|\begin{array}{ccc}2 & 2 & 3 \\ 3 & -1 & -1 \\ -2 & 1 & 0\end{array}\right|=2(-1)^{1+1}[(-1) \cdot 0-1 \cdot(-1)]+2(-1)^{1+2}[3 \cdot 0-(-1)(-2)]+$ $+3(-1)^{1+3}[3 \cdot 1-(-1)(-2)]=2+4+3=9$

Problem 11: Solve the following systems using (i) matrix method, (ii) inverse matrix, and (iii) Cramer's rule:
$x+y=1, \quad 3 x-4 y=-18$

Solution: Matrix method:

$$
\begin{aligned}
& \left(\begin{array}{cc|c}
1 & 1 & 1 \\
3 & -4 & -18
\end{array}\right) \stackrel{\times(-3)}{\swarrow} \sim\left(\begin{array}{cc|c}
1 & 1 & 1 \\
0 & -7 & -21
\end{array}\right) \div(-7)
\end{aligned} \sim
$$

Inverse matrix:

$$
\begin{aligned}
& A=\left(\begin{array}{cc}
1 & 1 \\
3 & -4
\end{array}\right) \\
& \left(\begin{array}{cc|cc}
1 & 1 & 1 & 0 \\
3 & -4 & 0 & 1
\end{array}\right) \times(-3) \quad \sim\left(\begin{array}{cc|cc}
1 & 1 & 1 & 0 \\
0 & -7 & -3 & 1
\end{array}\right) \div(-7)
\end{aligned} \sim
$$

Check:

$$
\begin{aligned}
& A A^{-1}=\left(\begin{array}{cc}
1 & 1 \\
3 & -4
\end{array}\right)\left(\begin{array}{cc}
4 / 7 & 1 / 7 \\
3 / 7 & -1 / 7
\end{array}\right)=\left(\begin{array}{cc}
1 \cdot 4 / 7+1 \cdot 3 / 7 & 1 \cdot 1 / 7+1 \cdot(-1 / 7) \\
3 \cdot 4 / 7+(-4) \cdot 3 / 7 & 3 \cdot 1 / 7-4 \cdot(-1 / 7)
\end{array}\right)=\left(\begin{array}{ll}
1 & 0 \\
0 & 1
\end{array}\right) \\
& A X=B \longrightarrow\left(\begin{array}{cc}
1 & 1 \\
3 & -4
\end{array}\right)\binom{x}{y}=\binom{1}{-18} \\
& X=A^{-1} B \longrightarrow\binom{x}{y}=\left(\begin{array}{cc}
4 / 7 & 1 / 7 \\
3 / 7 & -1 / 7
\end{array}\right)\binom{1}{-18}=\binom{\frac{4}{7} \cdot 1+\frac{1}{7} \cdot(-18)}{\frac{3}{7} \cdot 1-\frac{1}{7} \cdot(-18)}=\binom{-2}{3} \Rightarrow \begin{array}{c}
x=-2 \\
y=3
\end{array}
\end{aligned}
$$

Cramer's rule:

$$
x=\frac{\left|\begin{array}{cc}
1 & 1 \\
-18 & -4
\end{array}\right|}{\left|\begin{array}{cc}
1 & 1 \\
3 & -4
\end{array}\right|}=\frac{14}{-7}=-2
$$

$$
y=\frac{\left|\begin{array}{cc}
1 & 1 \\
3 & -18
\end{array}\right|}{\left|\begin{array}{cc}
1 & 1 \\
3 & -4
\end{array}\right|}=\frac{-21}{-7}=3
$$

## 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: $A=P\left(1+\frac{i}{t}\right)^{n t}$

## Solution:

$$
\begin{aligned}
& A=P\left(1+\frac{i}{t}\right)^{n t} \\
& A=4500\left(1+\frac{0.08}{4}\right)^{4 \cdot 6}=4500 \cdot 1.02^{24}=7237.97
\end{aligned}
$$

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:

$$
\begin{aligned}
& A=P(1+i)^{n} \\
& A=2500(1+0.11)^{1}=2500 \cdot 1.11=2775
\end{aligned}
$$

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 $\$ 695-\$ 275=\$ 420$.

$$
\begin{aligned}
& P+420=P(1+i)^{n} \\
& P+420=P(1+0.12)^{n} \\
& P+420=P \cdot 1.12^{1} \\
& 420=P \cdot 1.12-P=0.12 P \\
& P=\frac{420}{0.12}=3500
\end{aligned}
$$

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:

$$
\begin{aligned}
& S+0.07 S=1016.50 \\
& 1.07 S=1016.50 \\
& S=\frac{1016.50}{1.07}=950
\end{aligned}
$$

