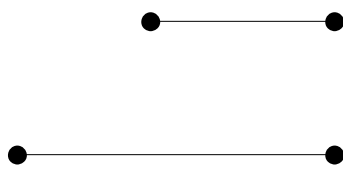


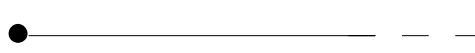
Figure 4.6 Discounting

$$\left(\frac{x}{r}\right) \left[ \left(\frac{1}{1+r}\right)^S - \left(\frac{1}{1+r}\right)^T \right]$$

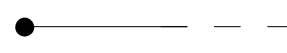
$$\left(\frac{x}{r}\right) \left[ 1 - \left(\frac{1}{1+r}\right)^T \right]$$



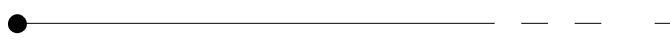
$$\left(\frac{x}{r}\right) \left(\frac{1}{1+r}\right)^S$$



$$\left(\frac{x}{r}\right) \left(\frac{1}{1+r}\right)^T$$



$$\left(\frac{x}{r}\right)$$



Time

