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Example 11

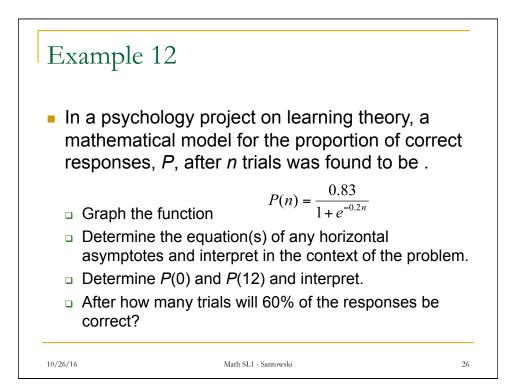
The model below approximates the length of a home mortgage of \$150,000 at 8% in terms of the monthly payment. In the model, *L* is the length of the mortgage in years and *p* is the monthly payments in dollars.

$$L(p) = 12.542 \ln\left(\frac{p}{p - 1000}\right), \ p > 1000$$

- Use the model to approximate the length of the mortgage when the monthly payments are \$1254.68
- Approximate the total amount paid over the term of the mortgage from (a). What amount of the total is interest costs?
- If I want to pay off the mortgage in 17 years, how much should my monthly payments be?

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Example 13

- The demand function for a camera is given by , $p(x) = 500 - 0.5(e^{0.004x})$ where *p* is the price of the camera in dollars and *x* is the demand (how many units can be sold at that price).
 - Determine p(1600) and interpret in the context of the problem.
 - Determine the demand, x , for a price of (i) \$600 and (ii) \$400

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