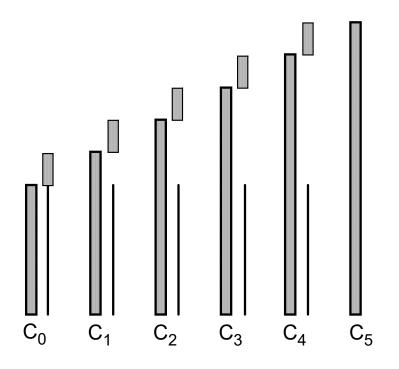
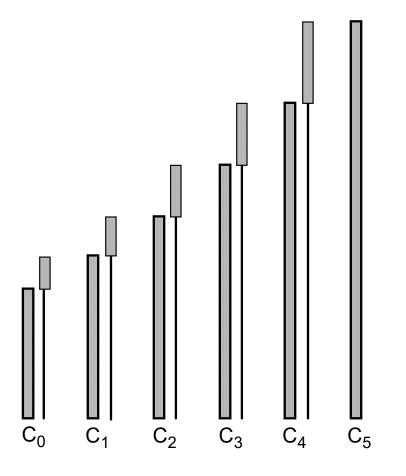
## Simple interest



Interest paid at the end of the n<sup>th</sup> compounding period is based on the **initial** capital C<sub>0</sub>.

## **Compound interest**



Interest paid at the end of the  $n^{th}$  compounding period is based on the **previous** capital  $C_{n-1}$ .