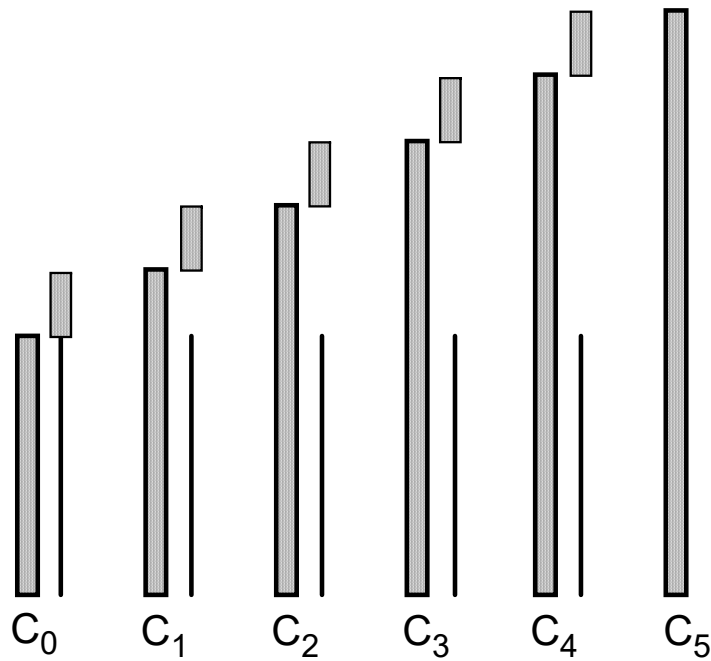
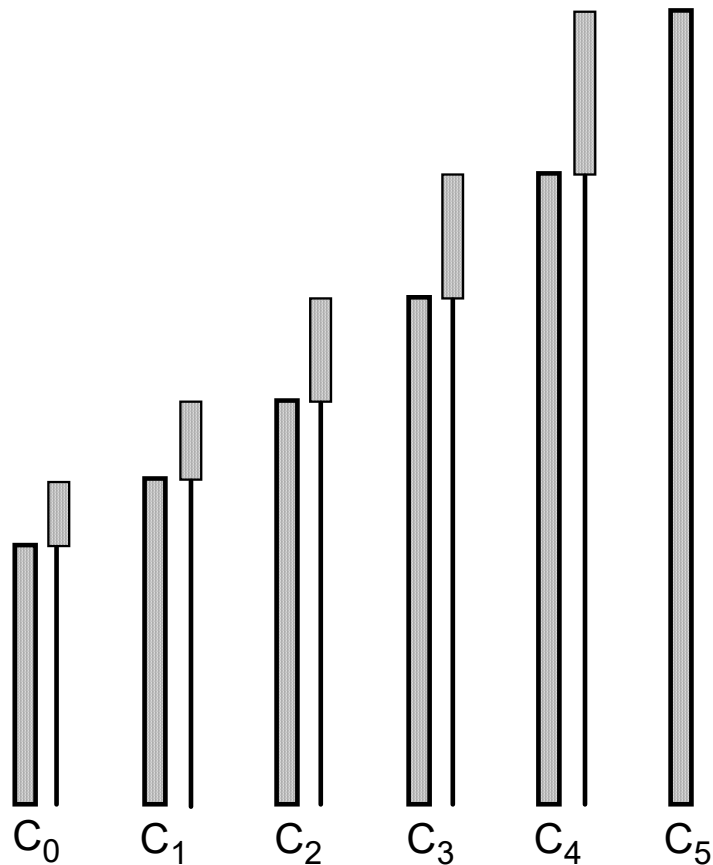


## Simple interest



Interest paid at the end of the  $n^{\text{th}}$  compounding period is based on the **initial** capital  $C_0$ .

# Compound interest



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