

First, we use a recursion identity to find \ddot{a}_x :

$$\ddot{a}_x = 1 + v p_x \ddot{a}_{x+1} = 1 + \left(\frac{1}{1.05} \right) (0.99) (6.951) = 7.554$$

To see the effect of changing p_{x+1} , we will need to look at \ddot{a}_{x+1} and \ddot{a}_{x+2} :

$$\ddot{a}_{x+1} = 1 + v p_{x+1} \ddot{a}_{x+2}$$

$$6.951 = 1 + \left(\frac{1}{1.05} \right) (0.95) \ddot{a}_{x+2} \Rightarrow$$

$$\ddot{a}_{x+2} = 6.577$$

With the new value for p_{x+1} of 0.98, the new value of

$$\ddot{a}_{x+1} = 1 + (0.98) \left(\frac{1}{1.05} \right) (6.577) = 7.139 .$$

$$\text{The new value for } \ddot{a}_x = 1 + (0.99) \left(\frac{1}{1.05} \right) (7.139) = 7.731 .$$

$$\text{The change} = 7.731 - 7.554 = 0.177$$