

Interest Theory Facts 1

Words	Symbols
Accumulation Function	$a(t)$
Amount Function	$A(t)$
Effective Interest Rate of period from t_1 to t_2	$i_{[t_1, t_2]}$
Effective Interest Rate for the n^{th} Period	i_n
Annual Effective Interest Rate	i
Nominal Annual Rate or Nominal Interest Rate or Interest Rate Compounded m times per year or Nominal Rate Convertible m thly or m times per year	$i^{(m)}$
$1/m$ thly Effective Interest Rate or Effective Interest Rate for $1/m^{\text{th}}$ of a year	$\frac{i^{(m)}}{m}$
Monthly Effective Interest Rate	$\frac{i^{(12)}}{12}$
Quarterly Effective Interest Rate	$\frac{i^{(4)}}{4}$
Semi-Annual Effective Interest Rate	$\frac{i^{(2)}}{2}$
Discount Function	$v(t) = \frac{1}{a(t)}$
Discount Function under Compound Interest	$v^j = \frac{1}{(1+i)^j}$
Effective Rate of Discount for period from t_1 to t_2	$d_{[t_1, t_2]}$
Effective Rate of Discount for the n^{th} period	d_n
Annual Effective Rate of Discount	d
Nominal Rate of Discount Convertible or Compounded m times per year	$d^{(m)}$
$1/m$ thly Effective Discount Rate	$\frac{d^{(m)}}{m}$
Force of Interest	δ_t
Force of Interest Under Compound Interest	δ
Interest Rate Compounded Continuously	δ
Inflation Adjusted or Real Interest Rate	j
Rate of Inflation	r
Nominal Interest Rate "Nominal" is not used in the same meaning as above	i