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MATH OF INVESTMENT: A REFLECTION PAPER

At first glance, from the subject description itself, all I can defend about it was that it is all about interest and computations. And since I have loved Mathematics ever since I was born, I have loved this subject even at first heard. Solving some maths has been a challenge for me since then, but I get to see the beauty of it especially when you understand what you are really solving. Going back, I got really excited to attend this class and meet the teacher.

When I got to meet my “ supposed-to-be-teacher”, I really felt the class would be boring. It was not because she’s a girl, but she’s just a first timer and the degree she finished, has nothing to do with the subject she is going to teach. But, she’s nice though. On the second meeting, I was surprised that she was not in the room. It was a man, with eye glasses, funny and clever ideas, nerdy look who was in front discussing about the subject course. According to him, changes were made so he will be our Math of Investment teacher.

Hearing him talk for the first time was ear-catchy because his ideas were unique and how he delivered them were at sense. Up to now, he’s still standing at heart to teach us with clever attitude and sometimes with weird actions; somehow, I can say I am learning.

The first topic discussed was investment itself. And this was the only time I got to understand what the importance and meaning of math of investment is. All this time, I knew that Math of Investment is all about interest, computations, solutions and formulas; in addition, I didn’t even think about its significance. I was right but it is more of those. Through Sir Ken, I have realized that Math of Investment is more of computations and formulas, it’s of exploring the real world: making more money from money in order to earn. Its significance, thus, I concluded, is just making money and compute how one will earn.

The first lesson discussed was Simple Interest. In here, I got to recall my   
grade 5 Math if I’m not mistaken and my high school Elective Math. At first, I got confused with the terms semi-annually, quarterly and even clueless how to apply them. I listened very well and kept silent though questions were in my mind because I believe as I listen further, my questions will be answered. And, yes, my principle happened. I got to understand fully the system in applying the time interval terms.

The second lesson was about discount and of course, I learned something new again. This helps in real life, so you may not be fooled of the discount you are to be given. Honestly, every time I go shopping I used to compute if the discounted price is correct prior to the given discount rate. I’m really a meticulous kind of person in terms of prices because I hate being fooled and I hate more people who fool.

After that lesson, we had a quiz and my score was really fulfilling thank God for it!

We proceed to the next lesson: Compound Interest vs. Simple Interest. This topic is very familiar to all of us and I even recalled the formulas for them. But, another new lesson learned. This time, it goes on the real talk. I have realized by the help of my nerdy professor that not all the time compound interest is better than simple interest. All my life, I have been fooled again that compound is much better. Now, the time being considered really matters in determining what type of interest shall one acquire. Computations were easy for me but analyzing was not. I also learned a new formula of using log, in finding the number of periods (n). Cheers to our professor who always shares what he has in mind. In the end, I was still able to comprehend.

The next topic was about Linear Interpolation and this explains what I learned in the lesson before, where in such particular years or measure in time, what kind of interest one shall acquire. Because my heart really overflowed about the understanding of applying such things, I shared it to my high school classmates who happened to take the same subject at University of the East. And, thanks really to our professor sent by the Lord   
to help us determining the importance of math lessons.

For the prelim ending lesson, annuity was discussed. I didn’t get to understand of this lesson fully in one seating that’s why I was forced to study at home and really read the book. But, still, I didn’t get a clearer picture because at first heard, first reading, I wasn’t able to view the picture of its significance so I just put a heart of courage to ask our professor I got to understand that annuity is about periodic payments and that should be equal in size or in amount unless specified.

I did have a hard time in our quiz for annuity where we were to determine the number of periods the payment shall be made. My professor introduced a new formula which was really hard to internalize and analyze. And, up to know I didn’t get the point. But, the formula was cool, though. My professor is a real Math geek, then. On the other hand, the prelim exam was difficult for me really and I my actual score was only 17 out of a 30. Since, our professor has been a kind-hearted man, he just made adjustment and made the quiz out of a 25.

Time passed by and it’s now midterms. Yahoo! I just survived prelims and learned lot of things and still wanting to learn more. We now went through the different kinds of rates: nominal, actual, and effective. Now, things, were clearer for me. I have seen how banks are so wise in using the nominal rate instead of effective rate. A really great thanks for my professor who shared this.

Since I wasn’t able to attend the discussion for different kinds of annuities, I decided to study with my best friend who has the same lesson with us. It was cool to answer them all. And, through my subject course finance, I got to learn that ordinary annuity as at the end of the period, thus pointing to future value and annuity due at the beginning, thus pointing to its present value. I have also answered some problems and was able to answer the quiz regarding this topic with comprehension.

Even our class is not yet finished; I can proudly say that Sir Keneth’s strategy and teaching style made a real impact in my college journey. Consequently, the way he connects things in real life is another joy. I also enjoyed sharing ideas with him because he is a friendly-type of teacher. All in all, Math of Investment is subject that needs more focus and attention because it is really significant in daily living, especially as time goes by, the value of peso is increasing, the interest in some banks are decreasing.

Truly, one’s future relies in his hands after all, Math of Investment is just a tool for a better future yet still makes a significant effort to make a living.