

∴ we know that

$$P(n) = M + R_1 + vR_2 + v^2R_3 + \dots + v^{n-1}R_n \dots (1)$$

And here in the given problem, we have $M = \text{Rs.}15000$ and

$$v = \frac{1}{1+0.10} = 0.90909$$

$$\therefore v^{n-1} = (0.90909)^{n-1}$$

$$\implies \text{for } n = 1, v^{1-1} = (0.90909)^{1-1} = (0.90909)^0 = 1$$

$$\implies \text{for } n = 2, v^{2-1} = v = (0.90909)^{2-1} = (0.90909)^1 = 0.90909$$

$$\implies \text{for } n = 3, v^{3-1} = v^2 = (0.90909)^{3-1} = (0.90909)^2 = 0.82644$$

$$\implies \text{for } n = 4, v^{4-1} = v^3 = (0.90909)^{4-1} = (0.90909)^3 = 0.75131$$

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Now:

for $P(1)$, take sum of 2 terms in (1)

$$\therefore P(1) = M + R_1 = 15000 + 2500 = 17500 \quad \because R_1 = 2500 \text{ is given in table}$$

or $P(2)$, take sum of 3 terms in (1)

$$\begin{aligned} \therefore P(2) &= M + R_1 + vR_2 = 15000 + 2500 + (0.90909)(3000) \\ &= 20227 \quad \because R_2 = 3000 \text{ is given in table} \end{aligned}$$

or $P(3)$, take sum of 4 terms in (1)

$$\begin{aligned} \therefore P(3) &= M + R_1 + vR_2 + v^2R_3 \\ &= 15000 + 2500 + (0.90909)(3000) + (0.82644)(4000) \\ &= 23533 \quad \because R_3 = 4000 \text{ is given in table} \end{aligned}$$

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From $P(n) \frac{(1-v)}{(1-v^n)}$, put $n = 1, 2, 3, \dots$

$$P(1) \frac{(1-v)}{(1-v^1)} = 17500 \frac{(1-0.90909)}{(1-0.90909)} = 17500$$

$$P(2) \frac{(1-v)}{(1-v^2)} = 20227 \frac{(1-0.90909)}{(1-0.90909^2)} = 10595$$

$$P(3) \frac{(1-v)}{(1-v^3)} = 23533 \frac{(1-0.90909)}{(1-0.90909^3)} = 8602.7$$

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