

Exponential Decay

1. Which statements are true about decay rate?
 - a. Decay rate refers to the rate at which an object loses its value
 - b. Decay rate decreases over the lifetime of an object
 - c. Decay rate is different for different objects
 - d. All of the above

2. A new computer is purchased for \$3500 and depreciates with a decay rate of 3% per month. After 6 months the value of the computer is:
 - a. \$3,618.00
 - b. \$3,098.52
 - c. \$2,915.40

3. Does the equation $y=a(1-r)$ correctly define decay rate?
 - a. Yes
 - b. No