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The Natural Base e For use with Exploration 6.2

## Essential Question What is the natural base $e$ ?

So far in your study of mathematics, you have worked with special numbers such as $\pi$ and $i$. Another special number is called the natural base and is denoted by $e$. The natural base $e$ is irrational, so you cannot find its exact value.

## 1 EXPLORATION: Approximating the Natural Base e

## Go to BigIdeasMath.com for an interactive tool to investigate this exploration.

Work with a partner. One way to approximate the natural base $e$ is to approximate the sum

$$
1+\frac{1}{1}+\frac{1}{1 \cdot 2}+\frac{1}{1 \cdot 2 \cdot 3}+\frac{1}{1 \cdot 2 \bullet 3 \cdot 4}+\cdots
$$

Use a spreadsheet or a graphing calculator to approximate this sum. Explain the steps you used. How many decimal places did you use in your approximation?

## 2 EXPLORATION: Approximating the Natural Base e

Work with a partner. Another way to approximate the natural base $e$ is to consider the expression

$$
\left(1+\frac{1}{x}\right)^{x} .
$$

As $x$ increases, the value of this expression approaches the value of $e$. Complete the table. Then use the results in the table to approximate $e$. Compare this approximation to the one you obtained in Exploration 1.

| $\boldsymbol{x}$ | $10^{1}$ | $10^{2}$ | $10^{3}$ | $10^{4}$ | $10^{5}$ | $10^{6}$ |
| :--- | :--- | :--- | :--- | :--- | :--- | :--- |
| $\left(\mathbf{1}+\frac{\mathbf{1}}{\boldsymbol{x}}\right)^{\boldsymbol{x}}$ |  |  |  |  |  |  |

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6.2 The Natural Base e (continued)

3 EXPLORATION: Graphing a Natural Base Function
Go to BigIdeasMath.com for an interactive tool to investigate this exploration.
Work with a partner. Use your approximate value of $e$ in Exploration 1 or 2 to complete the table. Then sketch the graph of the natural base exponential function $y=e^{x}$. You can use a graphing calculator and the $e^{x}$ key to check your graph.
What are the domain and range of $y=e^{x}$ ? Justify your answers.

| $\boldsymbol{x}$ | -2 | -1 | 0 | 1 | 2 |
| :--- | :--- | :--- | :--- | :--- | :--- |
| $\boldsymbol{y}=\mathbf{e}^{\boldsymbol{x}}$ |  |  |  |  |  |



## Communicate Your Answer

4. What is the natural base $e$ ?
5. Repeat Exploration 3 for the natural base exponential function $y=e^{-x}$. Then compare the graph of $y=e^{x}$ to the graph of $y=e^{-x}$.

| $\boldsymbol{x}$ | -2 | -1 | 0 | 1 | 2 |
| :--- | :--- | :--- | :--- | :--- | :--- |
| $\boldsymbol{y}=\mathbf{e}^{-\boldsymbol{x}}$ |  |  |  |  |  |


6. The natural base $e$ is used in a wide variety of real-life applications. Use the Internet or some other reference to research some of the real-life applications of $e$.
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6.2

## Notetaking with Vocabulary For use after Lesson 6.2

In your own words, write the meaning of each vocabulary term.
natural base $e$

## Core Concepts

## The Natural Base e

The natural base $e$ is irrational. It is defined as follows:

As $x$ approaches $+\infty,\left(1+\frac{1}{x}\right)^{x}$ approaches $e \approx 2.71828182846$.
Notes:

## Natural Base Functions

A function of the form $y=a e^{r x}$ is called a natural base exponential function.

- When $a>0$ and $r>0$, the function is an exponential growth function.
- When $a>0$ and $r<0$, the function is an exponential decay function.

The graphs of the basic functions $y=e^{x}$ and $y=e^{-x}$ are shown.



## Notes:

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### 6.2 Notetaking with Vocabulary (continued)

## Continuously Compounded Interest

When interest is compounded continuously, the amount $A$ in an account after $t$ years is given by the formula

$$
A=P e^{r t}
$$

where $P$ is the principal and $r$ is the annual interest rate expressed as a decimal.

## Notes:

## Extra Practice

In Exercises 1-4, simplify the expression.

1. $e^{-9} \bullet e^{12}$
2. $\frac{25 e^{2}}{35 e^{7}}$
3. $\left(2 e^{-3 x}\right)^{5} \cdot 2 e^{x+1}$
4. $\sqrt[4]{16 e^{24 x}}$

In Exercises 5-8, tell whether the function represents exponential growth or exponential decay. Then graph the function.
5. $y=2 e^{-x}$
6. $y=0.75 e^{4 x}$
7. $y=5 e^{0.25 x}$
8. $y=0.8 e^{-3 x}$

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### 6.2 Notetaking with Vocabulary (continued)

## In Exercises 9-11, use a table of values or a graphing calculator to graph the function. Then identify the domain and range.

9. $y=e^{x}-4$
10. $y=2 e^{x+3}$
11. $y=-e^{x}+5$

12. The population of Evans City is currently 48,500 and is declining at a rate of $2.5 \%$ each year. You can model the population of Evans City by the equation $P_{t}=P_{c} e^{r t}$, where $P_{c}$ is the current population, $P_{t}$ is the population after $t$ years, and $r$ is the decimal rate of decline per year.
Predict the population of Evans City after 25 years.
13. Your parents will need $\$ 25,000$ in 10 years to pay for your brother's college tuition. They can invest in an account with an interest rate of $9.8 \%$ that compounds continuously. How much should your parents invest today in order to have your brother's full tuition available in 10 years?
