Question

Present value for interest compounded continuously:

$$PV = \frac{FV}{e^{rt}},$$

where:

PV - present value that we need to find;

FV - future value that we have - $225,500;

r - interest rate;

t - number of periods of time (in years).

So, we have:

$$PV = \frac{FV}{e^{rt}} = \frac{\$225,500}{e^{0.0865 \cdot \frac{155}{365}}} = \$217,367.$$

Answer: $\$217,367$.