

Distribution of implicit interest for microcredi

Francine Diener, Marc Diener, Jasmin Mae Santos

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In his book [5], Muhammad Yunus gives the example of the repayment of a loan by 50 weekly settlements. The flat rate is 10% but Yunus points out that the actual rate in this case is nearly 20%. One of the characteristics of microcredit is that if one weekly settlement can't take place all the following settlements are postponed of one week, if no other accident takes places. In this way, the actual rate becomes random and lower than the above 20%. We give an approach of the distribution of this random interest rate based on Non Standard Analysis: we assume that the number of settlements is infinitely large and give asymptotic approximations of the distribution in the case of one or more settlement accidents.

References

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