

to a 50% change in the magnitude of the variation in almost 50% rise in the amount owed at the end of any period. To the householder, paying of a mortgage using a relatively well conditioned recurrence relationship will not be worth possibly several thousand pounds.

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you cannot ignore one lot of errors, because you think they may be too big! Errors are errors.

The reason that you should use rel. conditioning is illustrated above; a 50% change ^{in r} may give a 50% change in Y_r . In the case of abs. conditioning you would be trying to compare "% rate" with " \pounds " (not feasible)

Rel. errors of course have no units.