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NPTEL

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Courses » Time value of money-Concepts and Calculations

Announcements **Course** Ask a Question Progress

Unit 2 - Week 1



Course outline

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Week 1

- Introduction
- Interest Rates
- Simple Interest
- Compounding Techniques- 1 & 2
- Week 1 Assignment 1 Solution
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Week 2

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Week 1 Assignment 2

The due date for submitting this assignment has passed. **Due on 2016-09-17, 23:00 IST**
As per our records you have not submitted this assignment.

1) On a sum of Rs. 90,000 what will be the interest after 5 years when compounding at the rate **1 point** of 9% per annum (p.a.)?

- Rs.1,38,476.15
- Rs.48,476.15
- Rs.1,38,746.15
- Rs.48,746.15

No, the answer is incorrect.

Score: 0

Accepted Answers:

Rs.48,476.15

2) The difference between the compound interest and simple interest is Rs.320.6.This **2 points** difference is obtained when simple interest, at rate of 10% per annum for 2 years, is applied on a certain amount and also for the same amount the compound interest at rate of 12% per annum compounded half-yearly is applied for 2 years. Find the amount of money invested?

- Rs.5030
- Rs.4556.76
- Rs.5347
- Rs.5131.5

No, the answer is incorrect.

Score: 0

Accepted Answers:

Rs.5131.5

3) What time (least time) it will take to grow a certain amount to its three times (or more) when **2 points** compounding at a rate of 16% per annum (p.a.) is used?

- 2 years
- 5 years
- 8 years
- 11 years

No, the answer is incorrect.

Score: 0

Accepted Answers:

8 years

4) At what interest rate the amount Rs.4000 invested in an account becomes Rs.7669.5 in 3 years? **1 point**

- 23.45%
- 22.56%
- 24.23%
- 25.63%

No, the answer is incorrect.

Score: 0

Accepted Answers:

24.23%

5) What will be the interest on an amount Rs. 8000 invested for 4.6 years at the interest rate of 26% compounded yearly? **2 points**

- Rs.2632.69
- Rs.10632.69
- Rs.2459.16
- Rs.10459.16

No, the answer is incorrect.

Score: 0

Accepted Answers:

Rs.2459.16

6) A shopkeeper wants to purchase a shop in a main market for earning more profit but he only have Rs. 7 lacs not sufficient for purchasing the shop. He decided to put them in a bank account so that he can earn interest, after 7 years he withdraw all amount from the account for same purpose but now the cost of shop is five times from the cost before 7 years (assume the cost of shop before 7 year was Rs. 9 lacs.). What interest rate he should get so that he could buy that shop, if interest is compounded annually? **1 point**

- 30.45%
- 28.63%
- 34.05%
- 31.23%

No, the answer is incorrect.

Score: 0

Accepted Answers:

30.45%

7) How long (approximate years) it will take so that Rs.6000 grows five times, if the compound interest is paid at rate of 13.73%? **1 point**

- 13.1 years
- 12.5 years
- 11.7 years
- 9.6 years

No, the answer is incorrect.

Score: 0

Accepted Answers:

12.5 years

8) How much one should invest today so that Rs. 80,000 will be returned after 3 years if the interest rate is 7.7% p.a. and compound interest is paid on that money? **1 point**

- Rs.56674.78
- Rs.6403.875
- Rs.89998.97
- Rs.64038.75



No, the answer is incorrect.

Score: 0

Accepted Answers:

Rs.64038.75

9) A man borrows a loan of Rs. 60,000 from a bank at the rate of 20% compound annually. He **4 points** pays Rs. 4000 at the end of every years as a part of repayment. How much money he still have to pay to bank after 4 such installments?

- Rs. 106944
- Rs. 105764
- Rs. 102944
- Rs. 109870

No, the answer is incorrect.

Score: 0

Accepted Answers:

Rs. 102944

10) An amount is invested in an account for 4 years at different interest rates compounded **0 points** annually at 5%, 10%, 15%, and 17% interest rates for 1st, 2nd, 3rd and 4th years respectively. If at the end of 4th year sum of amounts grows to Rs. 67000, then what is the amount invests initially?

- Rs.40000
- Rs.42567.77
- Rs.43113.08
- Rs.43311.56

No, the answer is incorrect.

Score: 0

Accepted Answers:



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