Assignment 3

The due date for submitting this assignment is 18th January 2023. As per our weekly matrix, you have not submitted this assignment.

1. According to the rule of 72, the doubling period is equal to

- 2,000 (5% interest rate)
- 3,000 (8% interest rate)
- 2,000 (3% interest rate)
- 3,000 (6% interest rate)

No, the answer is incorrect.

2. A loan amortization schedule, over the years which is true regarding the components of DM?

- The interest amount increases
- The principal repayment amount increases
- The annual installment amount decreases
- Both a and b

No, the answer is incorrect.

3. If the income from an investment grows at a rate of 3% per year, then the cumulative growth in five years is approximately 15.9%

- 5.86
- 6.276
- 4.16
- 5.96

No, the answer is incorrect.

4. A bank pays interest at 8% per annum compounded half-yearly on its saving deposits. What is the effective interest rate?

- 8.16%
- 8.256%
- 8.4%
- 8.36%

No, the answer is incorrect.

5. The maturity value of a deposit of Rs. 10,000 at 8% per annum is Rs 14,000. What is the interest rate on such deposit?

- 8.54%
- 8.4%
- 8.45%
- 8.2%

No, the answer is incorrect.

6. If a tree of Rs. 30,000 is to be paid in 5 annual instalments with interest rate of 12% p.a. then is the equal annual instalment withdraws?

- Rs 6,800
- Rs 8,700
- Rs 6,700
- Rs 8,600

No, the answer is incorrect.

7. In order to find out the present value of a sum of Rs. 16,000 to be received at the end of each year for the next 5 years at 15% rate, we can

- Present value of a single cash flow
- Future value of a single cash flow
- Present value of an annuity of rate
- Future value of an annuity rate

No, the answer is incorrect.

8. What is the present value of a Rs. 1,000 ordinary annuity that earns 8% annually for a period of 10 years?

- Rs 8,500
- Rs 8,670
- Rs 8,560
- Rs 8,700

No, the answer is incorrect.

9. Interest rate at which is not remedied but is arithmetic classified as

- simple interest
- compound interest
- internal interest
- stated interest

No, the answer is incorrect.

10. The present value of an annuity stream is called

- simple interest
- compound interest
- internal interest
- stated interest

No, the answer is incorrect.

11. The present value of a loan is called

- simple interest
- compound interest
- internal interest
- stated interest

No, the answer is incorrect.