Unit 4 - UNIT-3 (Week 3)

Assignment 3

The due date for submitting this assignment has passed. Due on 2018-02-28, 11:59 IST. As per our records you have not submitted this assignment.

The element which is not involved while calculating equivalence of sums of money is 1 point

- Amount of sums
- Times of occurrence of sum
- Interest rate
- Type of investment

No, the answer is incorrect.
Score: 0

Accepted Answers:
Type of investment

For the following series of deposits, total balance at the end of 10 years at interest rate of 10% compounded annually will be Rupees 1 point

<table>
<thead>
<tr>
<th>End of period</th>
<th>Amount of deposit</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>4000</td>
</tr>
<tr>
<td>1-9</td>
<td>7500</td>
</tr>
<tr>
<td>10</td>
<td>0</td>
</tr>
</tbody>
</table>
The present worth of following series of cash flow of an interest rate of 10% compounded annually will be:

<table>
<thead>
<tr>
<th>End of Year</th>
<th>Net cash flow</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>55000</td>
</tr>
<tr>
<td>2</td>
<td>60500</td>
</tr>
<tr>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>4</td>
<td>73205</td>
</tr>
</tbody>
</table>

No, the answer is incorrect.
Score: 0
Accepted Answers:
122403

A series of equal quarterly deposits of Rs 20000 extends over a period of 3 years. The future worth of this deposit series at 9 % interest compounded monthly will be Rupees 150000.
Among the following two mutually exclusive projects, the recommended project at an interest rate of 12% compounded annually will be:

<table>
<thead>
<tr>
<th>End of year</th>
<th>Net cash flow, Project A</th>
<th>Net cash flow, Project B</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>-50000</td>
<td>-105000</td>
</tr>
<tr>
<td>1</td>
<td>23750</td>
<td>45750</td>
</tr>
<tr>
<td>2</td>
<td>23750</td>
<td>45750</td>
</tr>
<tr>
<td>3</td>
<td>23750</td>
<td>45750</td>
</tr>
</tbody>
</table>

1 point

No, the answer is incorrect.
Score: 0
Accepted Answers:
Project A
Project B
Either A or B
None

No, the answer is incorrect.
Score: 0
Accepted Answers:
Project A

The capitalized equivalent amount for following cash flow series at interest rate of 10% will be Rupees 73810.
For the following series of cash flow, what should be the value of \( P \) so that the balance amount at the end of year 10 is zero? Rate of interest is 10% compounded annually.

<table>
<thead>
<tr>
<th>End of period</th>
<th>Deposit</th>
<th>Withdrawal</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>( P )</td>
<td></td>
</tr>
<tr>
<td>1-6</td>
<td></td>
<td>40000</td>
</tr>
<tr>
<td>7</td>
<td></td>
<td>20000</td>
</tr>
<tr>
<td>8-10</td>
<td></td>
<td>40000</td>
</tr>
</tbody>
</table>

No, the answer is incorrect. Score: 0
Accepted Answers:
\( 73810 \)

The value of \( C \) which will make the two cash flow equivalents at interest rate of 10% compounded annually is

No, the answer is incorrect. Score: 0
Accepted Answers:
\( 214988 \)
Certain operating savings are expected to be 0 at the end of the first six months, to be Rs 1,000 at the end of the second six months, and to increase by Rs 1,000 at the end of each six month period thereafter for a total of four years. If the nominal interest rate is 20% compounded semiannually, the equivalent uniform amount, $A$, at the end of each of the eight six-month periods will be

- Rs 2,890
- Rs 3,004
- Rs 2,530
- Rs 3,560

No, the answer is incorrect.
Score: 0
Accepted Answers: Rs 3,004

An asset has first cost of Rs 5000 and has estimated service life of 5 years. The salvage value at the end of its life is Rs 1000. For an interest rate of 10% compounded annually, the capital recovery with return (per year) is Rupees

- 1155.20
No, the answer is incorrect.
Score: 0
Accepted Answers: 1155.20