

Chapter 3: Practice problem

1. If you wish to accumulate \$140,000 in 13 years, how much must you deposit today in an account that pays an annual interest rate of 14%?
2. What will \$247,000 grow to be in 9 years if it is invested today in an account with an annual interest rate of 11%.
3. How many years will it take for \$136,000 to grow to be \$468,000 if it is invested in an account with an annual interest rate of 8%?
4. Find the present value of the cash flow, which is given below. Consider 12% MARR

End of year	0	1	2	3	4	5
Cash Flow	1512	1215	1125	5211	2151	1251
5. Find the future value of the cash flow at 15% WACC at 5th year

End of year	0	1	2	3	4	5
Cash Flow	1512	1215	1125	5211	2151	1251
6. Farhan invested \$12,000 at 10% interest rate compounded semiannually and Tanvir Invested \$8,000 at 15% interest rate compounded monthly. Who will be a millionaire in less than 50 years.
7. At what annual interest rate must \$137,000 be invested so that it will grow to be \$475,000 in 14 years?