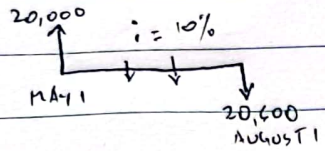
CARL MARLO M. AMAPRO BSCPE-4 / M1

1. NOTATION : (P, i, t)

GIVEN: P = $20,000, i = 10%, t = 3/12 = .25

CASHFLOW DIAGRAM:




SOLUTION:

$I = P \times r \times t$

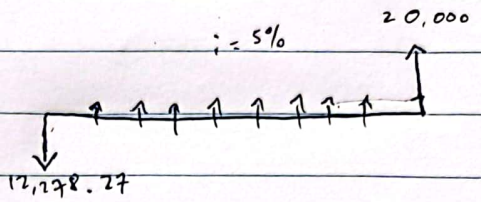
$= 20,000 \times .10 \times .25$

$= \$500.00$

2. NOTATION : (P/F, i, n)

GIVEN: F = $20,000, i = 5%, n = 10

CASHFLOW DIAGRAM:




SOLUTION:

$P = \frac{F}{(1+i)^n}$

$= \frac{20,000}{(1+0.05)^{10}}$

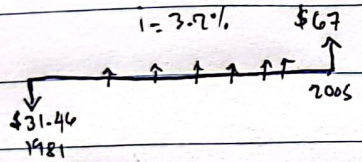
$= \$12,278.27$

3. NOTATION : (P/F, i, n)

Given : F = 67, i = 3.2% = 0.032,

n = 24 years

CASHFLOW DIAGRAM:




SOLUTION:

$P = \frac{F}{(1+i)^n}$

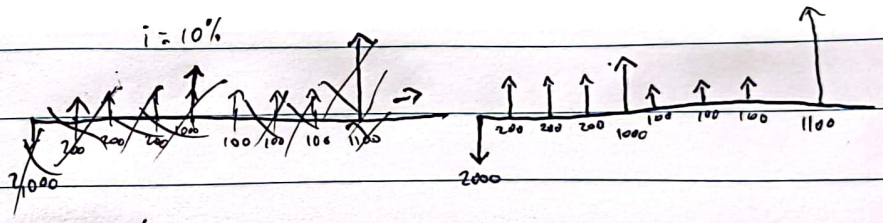
$= \frac{67}{(1+0.032)^{24}}$

$= \$31.46$

4. NOTATION : (I/P, i, n)

GIVEN: P = 2,000, i = 10%,

CASHFLOW DIAGRAM:




SOLUTION:

$I = P \times i$

$= 2000 \times .10 = \$200$ EACH YEAR IN FIRST 4 YEARS, $100 NEXT 4 YEARS

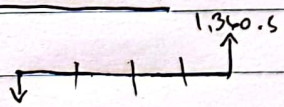
$I = 200 + 200 + 200 + 200 + 100 + 100 + 100 + 100$

$= \$1200.00$

5. NOTATION : (P/F, i, n)

GIVEN: F = $1340.5, i = 0.08, n = 4

CASHFLOW DIAGRAM:




SOLUTION:

$P = \frac{F}{(1+i)^n}$

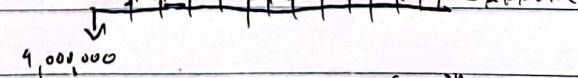
$= \frac{1340.5}{(1+0.08)^4}$

$= \$1,000.01$

6. NOTATION : (A/P, i, n)

GIVEN: P = 4,000,000, i = .08, n = 30

CASHFLOW DIAGRAM:




SOLUTION: $A = \frac{P \times i \times (1+i)^n}{(1+i)^n - 1}$

$= \frac{(4000000)(.08)(1+.08)^{30}}{(1+0.08)^{30} - 1}$

$= \$355,309.73$