

Homework, Lesson 1

Problem	Answer
Develop a table in the same format as Table 1-1 in the text for Plan 1, Plan 2, and Plan 3. Instead of 8%, use 10%.	
1.9	11%
1.25	Draw a cash flow diagram. Recall that in a cash flow diagram, money leaving points down (such as an investment). The amount accumulated points up.
1.26	\$115,000
1.31	\$1,210,000
1.32	Note that this is simple interest, not compound interest: $i = 0.10$ or 10%