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[SHS ONLY] Senior Highschool Teachers Online Class Performance Evaluation (Manila: Part 5)[Required]

Student Perception on Limited F2F Survey (Required)

## 4.1.1 Sample Problems for Capitalized Cost



Intended Learning Outcome

At the end of the lesson, the student shall be able to:

1. Apply the formulas/equations in capitalized cost to solve word problems.

### SAMPLE PROBLEMS

1. Determine the capitalized cost of a structure that requires an initial investment of P1,500,000 and annual maintenance of P150,000. Interest is 15%.  
**ANS: P2,500,000**
2. A new engine was installed by a textile at a cost of P300,000 and projected to have a useful life of 15 years. At the end of its useful life, it is estimated to have a salvage value of P30,000. Determine its capitalized cost if interest 18% compounded annually.  
**ANS: P324,604.1738**
3. At 6%, find the capitalized cost of a bridge whose cost is P250M and if it must be partially rebuilt at a cost of P100M at the end of each 20 years. Annual maintenance cost for the bridge amounts to P1.2M.  
**ANS: P315,307,595**

Reference: *Engineering Economics* by Hipolito Sta. Maria



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