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NPTEL

Courses » **Engineering Economic Analysis**   Announcements   **Course**   Ask a Question   Progress

Unit 3 - UNIT-2 (Week 2)

Course outline

How to access the portal

Unit-1 (Week 1)

UNIT-2 (Week 2)

○ Lecture 1: Problem Solving

○ Lecture 2: Uniform Gradient Series

○ Lecture 3: Geometric Gradient Series

○ Lecture 4: Compounding Frequency of Interest

○ Lecture 5: Problem Solving

○ Quiz : Assignment 2

○ Feedback Week-2

○ Solutions of Assignment 2

UNIT-3 (Week 3)

UNIT-4 (Week 4)

UNIT-5 (Week 5)

UNIT-6 (Week 6)

UNIT-7 (Week 7)

UNIT-8 (Week 8)

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Assignment 2

The due date for submitting this assignment has passed. **Due on 2018-02-21, 23:59 IST.**
As per our records you have not submitted this assignment.

1) Present value of a payment series with first year end payment of Rs 27,000 and   *1 point*
further decreasing by 10% per year up to end of year 10 at interest rate of 17% will be
Rupees

○   92745

○   95839

○   95800

○   9468

No, the answer is incorrect.
Score: 0

Accepted Answers:
92745

2) Effective annual interest rate for nominal interest rate 14% compounded   *1 point*
semiannually is

○   13.78%

○   14%

○   14.49%

○   14.78%

No, the answer is incorrect.
Score: 0

Accepted Answers:
14.49%

3) For your deposit in bank, interest rate of Bank A offers 8.5% compounded   *1 point*
quarterly and Bank B offers 8.4% compounded continuously. Which one is better?

○

Bank A

○

Bank B

○

Either Bank A or B

○

None of these

No, the answer is incorrect.
Score: 0

Accepted Answers:
Bank A

4) If effective interest rate is 5% for a period of 3 months, it will be same as nominal *1 point* interest rate of

○

20% compounded semiannually

○

20% compounded quarterly

○

10% compounded annually

○

10% compounded quarterly

No, the answer is incorrect.
Score: 0

Accepted Answers:
20% compounded quarterly

5) The rate of interest compounded quarterly, which will make an investment *1 point* double itself in 5 years is

○

14.87%

○

5.8%

○

4.8%

○

14.11%

No, the answer is incorrect.
Score: 0

Accepted Answers:
14.11%

6) To raise money for your business, you need to borrow Rs. 20,000 from a local bank. *1 point* If the bank asks you repay the loan in five equal annual installments of Rs. 5,548.19, the bank's annual interest rate on this loan transaction will be

○

11%

○

11.5%

○

12%

○

27. 74%

No, the answer is incorrect.
Score: 0

Accepted Answers:
 12%

7) A student decides to make semi-annual payments of Rs. 500 each into a bank   *1 point*
account that pays a nominal interest of 8% compounded weekly. Assuming that only one
(the final) withdrawal is made, the amount accumulated by the student in the bank account
at the end of 20 years will be

○

Rs. 60,720

○

Rs. 54,830

○

Rs. 48,419

○

Rs. 40,832

No, the answer is incorrect.
Score: 0

Accepted Answers:
 Rs. 48,419

8) You are considering purchasing a piece of industrial equipment that costs Rs. *1 point*
30,000. You decide to make a down payment in the amount of Rs. 5,000 and to borrow
the remainder from a local bank at an interest rate of 9%, compounded monthly. The
loan is to be paid off in 36 monthly installments. The amount of monthly payment will
be

○

 Rs. 954

○

Rs. 833

○

Rs. 795

○

Rs. 694

No, the answer is incorrect.
Score: 0

Accepted Answers:
 Rs. 795

9) The value of equal annual payment series for paying a series of 7 year end payments *1 point*
beginning with Rs 20000 and increasing at the rate of Rs 1000 a year at 10% interest
rate compounded annually will be

○

20702

○

22621

○

25235

○

28301

No, the answer is incorrect.
Score: 0

Accepted Answers:
22621

10)The value of equal annual payment series for paying a series of 5 year end   **0 points**
payments beginning with Rs 40,000 and decreasing at the rate of Rs 5000 a year at 10%
interest rate compounded annually will be

○

28090

○

29300

○

30050

○

32400

No, the answer is incorrect.
Score: 0

Accepted Answers:
30050

Previous Page   End