

Unit 4 - Week 3

Course outline

How to access the portal

Week 1

Week 2

Week 3

Introduction to Discrete Compounding and Discrete Payments

Equal Payment Series and Gradient Series Factors

Geometric Gradient Series Factors

Annuities Due and Annuities Deferred

Problem Solving on Compounding Factors

Quiz : Assignment 3

Solution 3

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Assignment 3

The due date for submitting this assignment has passed.
As per our records you have not submitted this assignment.

Due on 2020-02-19, 23:59 IST.

1) A person has an option to purchase a piece of land that will be worth Rs. 10 Lakhs in six years. If the value of land increases at 8% compound interest each year, the investor willing to pay for the property now will be **1 point**

- Rs. 505600
 Rs. 580330
 Rs. 630170
 Rs. 680203

No, the answer is incorrect.
Score: 0

Accepted Answers:
Rs. 630170

2) If eight annual deposits of Rs 10000 each are placed in an account, the money that will be accumulated immediately after last deposit at 10% rate of interest compounded annually will be **1 point**

- Rs. 200500
 Rs. 271800
 Rs. 114359
 Rs. 300900

No, the answer is incorrect.
Score: 0

Accepted Answers:
Rs. 114359

3) A person borrows Rs. 10000 for eight years. The amount he has to repay at the end of eighth year at 10% rate of interest compounded annually will be **1 point**

- Rs. 18336
 Rs. 21436
 Rs. 23506
 Rs. 24890

No, the answer is incorrect.
Score: 0

Accepted Answers:
Rs. 21436

4) The value of equal annual payment series for paying a series of 5 year end payments beginning with Rs. 40000 and decreasing at the rate of Rs. 5000 a year at 10% interest rate compounded annually will be **1 point**

- Rs. 28090
 Rs. 29300
 Rs. 30949.5
 Rs. 32400

No, the answer is incorrect.
Score: 0

Accepted Answers:
Rs. 30949.5

5) Present value of a payment series with first year end payment of Rs. 45000 increasing by 4% per year upto year 10 at interest rate of 12% is **1 point**

- Rs. 287850
 Rs. 289510
 Rs. 291110
 Rs. 294450

No, the answer is incorrect.
Score: 0

Accepted Answers:
Rs. 294450

6) In planning for your retirement, you expect to save Rs. 5000 in year 1, Rs. 6000 in year 2, and amounts increasing by Rs. 1000 each year through year 20. If your investments earn 10% compound interest per year, the amount you will have at the end of year 20 is approximately **1 point**

- Rs. 242568
 Rs. 355407
 Rs. 597975
 Rs. 659125

No, the answer is incorrect.
Score: 0

Accepted Answers:
Rs. 659125

7) If you want to buy a furniture for Rs. 15485 in 5 years and you want to start investing now with Rs. 7700, the interest rate should be **1 point**

- 10%
 12%
 15%
 20%

No, the answer is incorrect.
Score: 0

Accepted Answers:
15%

8) If Rs. 10000 is invested now at 10% interest annually, two equal year end payment value of Rupees..... can be received. **1 point**

- 6232
 6000
 5762
 5202

No, the answer is incorrect.
Score: 0

Accepted Answers:
5762

9) An enthusiastic new engineering graduate plans to start a consulting firm by borrowing Rs. 500000 at 10% per year interest. The loan payment each year to pay off the loan in 7 years is approximately **1 point**

- Rs. 187450
 Rs. 205400
 Rs. 102700
 Rs. 234500

No, the answer is incorrect.
Score: 0

Accepted Answers:
Rs. 102700

10) A machine undergoes a major over haul now, because of which additional cash flow of Rs. 10000 is generated at the end of each year for five years. If $i = 15\%$ per year, the amount that can be afforded to invest to overhaul the machine will be **1 point**

- Rs. 67221
 Rs. 67044
 Rs. 33522
 Rs. 38221

No, the answer is incorrect.
Score: 0

Accepted Answers:
Rs. 33522