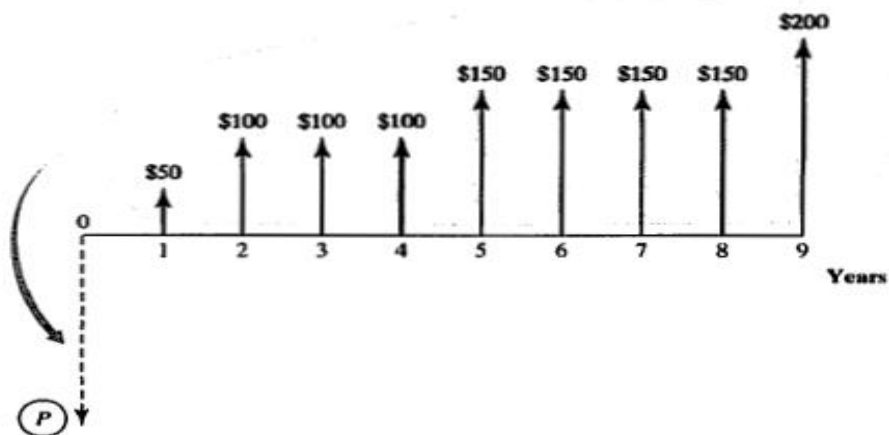


3. Consider the following Cash Flow shown in the Fig. Compute the equivalent present worth of this mixed- payment series at an interest rate of 15%. (Ans. $P = \$543.72$)



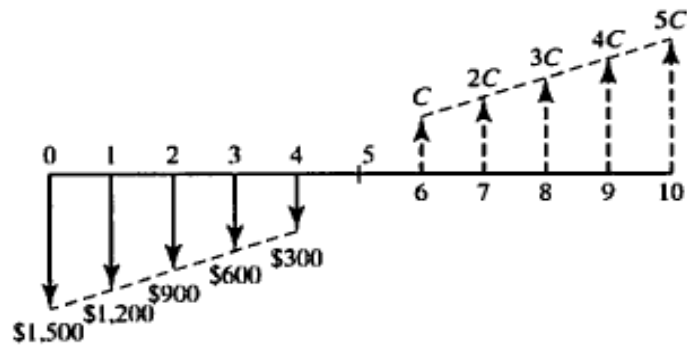
4. A geotechnical engineering firm has been awarded a job to design the foundation of an office building. The project is postponed and will not start for four more years. The firm needs to estimate the present worth of the costs of the project. At the year four, the cost will be \$175,000 decreasing by \$50,000 per year for the next three years. If the interest rate is 4%, what is the present worth of the projected cost of the project?

5. Compute the rate of return for investment represented by the following cash flow:
(Ans.10.83%)

Year	0	1	2	3	4	5
Cash Flow	-\$595	\$250	\$200	\$150	\$100	\$50

6. What is the amount of 10 equal annual deposits that can provide five annual withdrawals, when a first withdrawal of \$3,000 is made at the end of year 11 and subsequent withdrawals increase at the rate of 6% per year over the previous year's rate if:
- The interest rate is 8% compounded annually?
 - The interest rate is 6% compounded annually?

7. Consider the cash flow series given in the accompanying table. What value of C makes the deposit series equivalent to the withdrawal series at an interest rate of 6% compounded annually? (Ans. \$459.88)



End of the Problems

*Best wishes
The coordinators of the course*