Name: Id#

ISE 307, Term 173

ENGINEERING ECONOMIC ANALYSIS

Quiz# 1

 Date: Sunday, July 1, 2018

#

# **Q1.** If you borrow $20,000 at an interest rate of 8%, compounded annually with the following repayment schedule, what is the required amount A?



(a) A = $2,951

(b) A = $3,967

(c) A= $3,101

(d) A = $2,324

**Q2.** What is the amount of 10 equal annual deposits that can provide five annual withdrawals, when a first withdrawal of $2,000 is made at the end of year 11 and subsequent withdrawals increase at the rate of 5% per year over the previous year's rate if the interest rate is 7% compounded annually?