

**Math 131 (Term 133) – Quiz 4**

Student Name \_\_\_\_\_ Student ID: \_\_\_\_\_

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**Exercise 1**

A debt of 7,000 SR due in five years is to be repaid by a payment of 2,000 SR now, a second payment at the end of two years, a third payment of 1,000 SR at the end of four years. How much should the second payment be if the interest rate is 8% compounded quarterly?

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**Exercise 2**

Find the present value of the following annuity: 1,000 SR paid at the beginning of each six-month period for seven years at the rate of 8% compounded semi-annually.