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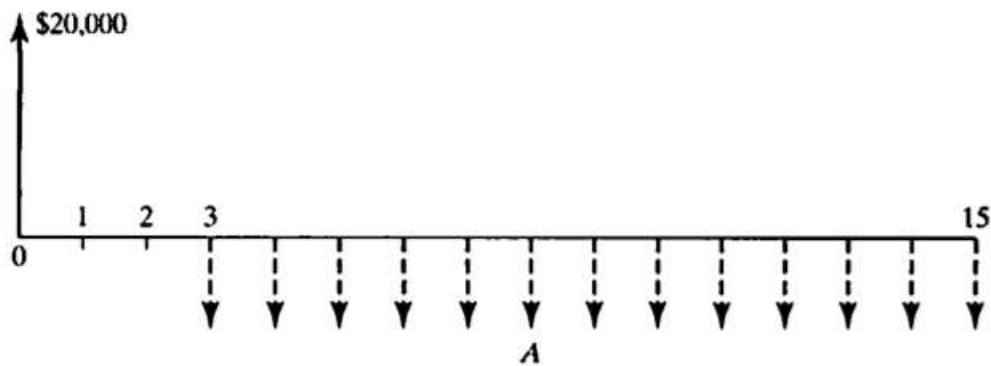
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ISE 307, Term 173  
ENGINEERING ECONOMIC ANALYSIS

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?