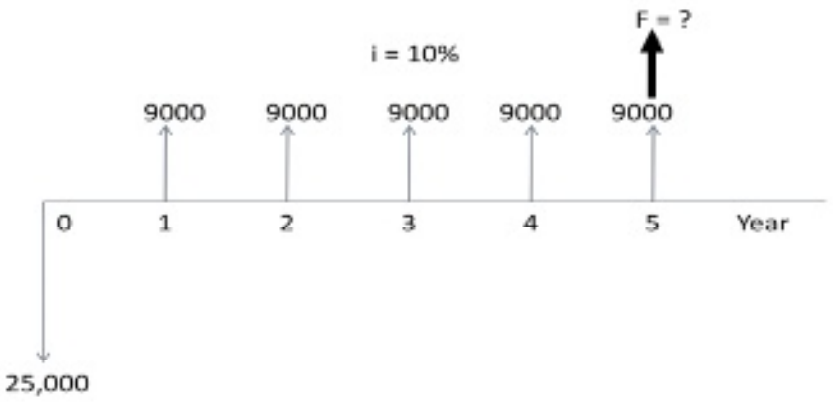
1.21 End-of-period amount for June = 50 + 70 + 120 + 20 = $260
End-of-period amount for Dec = 150 + 90 + 40 + 110 = $390

1.22

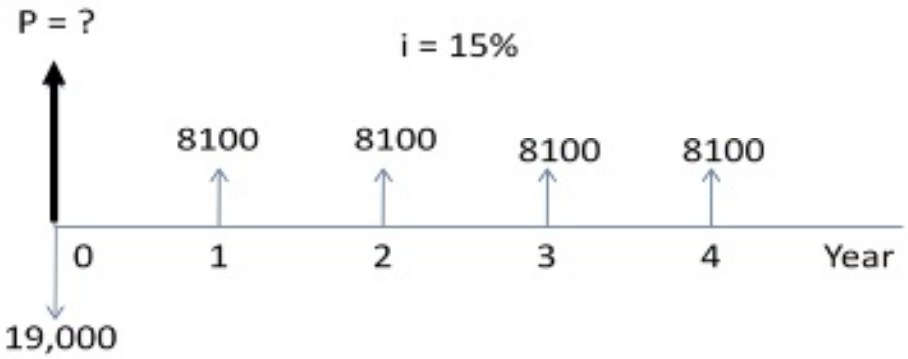
Month	Receipts, $1000	Disbursements, $1000	Net CF, $1000
Jan	500	300	+200
Feb	800	500	+300
Mar	200	400	-200
Apr	120	400	-280
May	600	500	+100
June	900	600	+300
July	800	300	+500
Aug	700	300	+400
Sept	900	500	+400
Oct	500	400	+100
Nov	400	400	0
Dec	1800	700	+1100

Net Cash flow = $2,920 ($2,920,000)

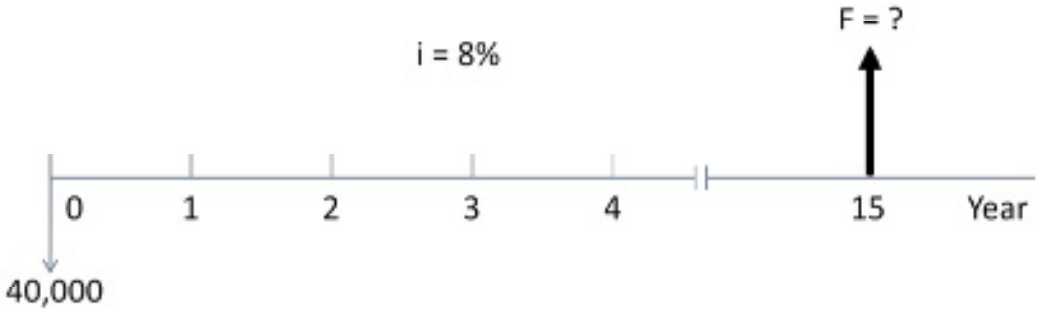
1.23



1.24



1.25



1.26 Amount now = F = 100,000 + 100,000(0.15) = $115,000

1.27 Equivalent present amount = 1,000,000/(1 + 0.15)
= $869,565

Discount = 790,000 – 869,565
= $79,565

1.28 5000(40)(1 + i) = 225,000
1 + i = 1.125
i = 0.125 = 12.5% per year

1.29 Total bonus next year = 8,000 + 8,000(1.08)
= $16,640

1.30 (a) Early-bird payment = 10,000 – 10,000(0.10) = $9000

(b) Equivalent future amount = 9000(1 + 0.10) = $9900

Savings = 10,000 – 9900 = $100

1.31 F_1 = 1,000,000 + 1,000,000(0.10)
= 1,100,000

F_2 = 1,100,000 + 1,100,000(0.10)
= $1,210,000

1.32 90,000 = 60,000 + 60,000(5)(i)
300,000 i = 30,000
i = 0.10 (10% per year)

1.33 (a) F = 1,800,000(1 + 0.10) (1 + 0.10) = $2,178,000

(b) Interest = 2,178,000 – 1,800,000 = $378,000