

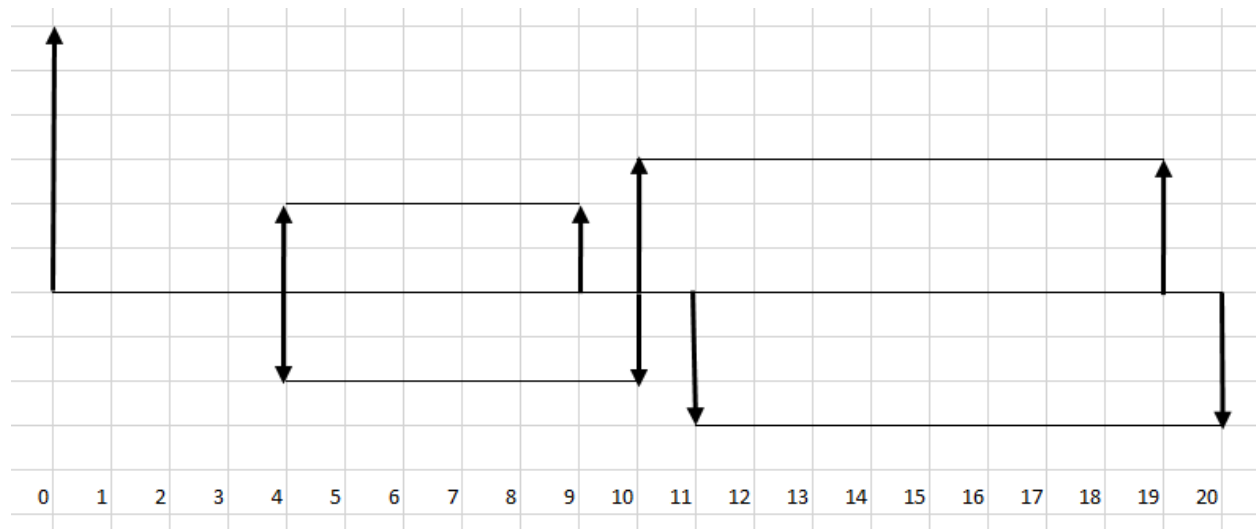
Assignment 2

50 Points (Due: 5:00PM Thursday Feb. 11)

Assessment Goals: (Reading and understanding the instructions; Calculation accuracy, Report quality; Use of graphics)

Show your work. No round down or up, use 2 decimals for dollar values and 4 decimals for factors. Each vertical grid represents one year and each horizontal grid \$55.

PROBLEM:



For the interest rate of 8% compounded annually, perform the following steps for the cash flow is given above:

1. Calculate the present worth of the project, as it is, using formulas or tables for factors. (10 pts)
2. Calculate future worth of the project, as it is, at the end of year 20 using formulas or tables. (10 pts)
3. Calculate the worth of project, as it is, at the end of year 14. (15 pts)
4. Calculate the equivalent annual series between years 5 and 15 for the entire project. (Hint: you can use one of the values calculated in part 1 or 2.). (15 pts)