

QUIZ IName: [Abdullahi Umar \(Preview\)](#)Start time: [June 13, 2005 10:38am](#)Time allowed: [20 minutes](#)Number of questions: [4](#)[Finish](#)[Help](#)**Question 1** (25 points)

Over a five-year period, an original principal of SR2000 accumulate to SR3200 in a savings account in which interest was compounded monthly. Determine the effective rate of interest, rounded to two decimal places.

- a. 10.64%
- b. 8.46%
- c. 10.54%
- d. 9.44%
- e. 9.85%

[Save answer](#)**Question 2** (25 points)

Consider the three investment possibilities: (I) an interest of 7.4% compounded quarterly; (II) an interest of 7.3% compounded monthly; (III) an interest of 7.2% compounded daily. The worst choice is

- a. IV
- b. V
- c. II
- d. I
- e. III

[Save answer](#)**Question 3** (10 points)

The three types of (interest) rates are:

- a. nominal, tax and effective
- b. nominal, periodic and effective
- c. annual, nominal and effective
- d. nominal, subsidy and effective
- e. nominal, annual and periodic

[Save answer](#)**Question 4** (10 points)

This is a bonus question for 10 free points provided you choose the correct answer which is

Dhahran.

- a. Riyadh
- b. Dhahran
- c. Jeddah
- d. Jizan
- e. Dammam

Save answer

Finish

Help