

Dr. Raja Latif. Math-131-01-Term-103-Quiz-3 (Marks: 15)-Ch-5:5.1-5.3. July 27, 2011.

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NAME: \_\_\_\_\_, I.D# \_\_\_\_\_

**NOTE** – Show complete work for full credit. The questions are not in any order of difficulty at all. (You may use reverse side of the paper if required). You may use nonprogrammable calculators.

**Question – I.** (205T5.2B17). (Marks: 9). A debt of \$ 5000 due five years from now and \$ 5000 due ten years from now is to be repaid by a payment of \$ 2000 in two years, a payment of \$ 4000 in four years, and a final payment at the end of six years. If the interest rate is 2.4 % compounded quarterly, how much is the final payment?

**Question – II.** (208TB12). (Marks: 6). Trust Fund. A trust fund is being set up by a single payment so that at the end of 30 years there will be \$ 50000 in the fund. If interest is compounded continuously at annual rate of 6 %, how much money should be paid into the fund initially?

Present Amount: \_\_\_\_\_

FINAL PAYMENT: = \_\_\_\_\_