

Assignment 1

50 Points (Due: 5:00PM Tuesday Feb. 9)

Assessment Goals: (Reading instructions; Following format guideline; Time management; Report quality; Calculation accuracy)

Show your work. No round down or up, use 2 decimals for dollar values and 4 decimals for factors.

PROBLEM:

Expenditures and income of a project over a 23 year period is given in the table below.

YEAR	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
TRANSACTION	-6543	2300		8200		810	-4100			1200	1890	

YEAR	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
TRANSACTION		-6342		1900			1500	-850		1230	-710	1000

For the interest rate of 12% compounded annually, perform the following steps for the project:

1. Plot the cash flow (5pts)
2. Calculate the present worth of the project using formulas for factors. (10 pts)
3. Calculate the present worth of the project using tables for factors and compare with answer in in part 2. Explain the reason for difference, if any. (10 pts)
4. Calculate future worth of the project at the end of year 2023 using tables. (10 pts)
5. Calculate future worth of the project at the end of year 2023 using the calculated value in part 3. (5 pts)
6. Calculate the equivalent value of the project at the end of year 2013. (10 pts)