Equations of Value Worksheet
Chapter 1: The measurement of interest
Chapter 2: Solution of problems in interest

1. What is the present value of $5000 due in ten years assuming money grows according to compound interest and the effective annual rate of interest is 4% for the first three years, 5% for the next two years, and 5.5% for the final five years?

2. A payment of $$X$ two years from now along with a payment of $$2X$ four years from now repays a debt of $6000 at 6.5% annual effective compound interest. Find X.

3. You have two options to repay a loan, You can repay $6000 now and $5940 in one year, or you can repay $12,000 in six months. Find the annual effective interest rate(s) i at which both options have the same present value.