Simple interest assignment

Business

You should send us 2 files, one of these e in either word or PDF and one in excel format. We will provide submission instructions on learn. The formulae covered in t epic 2 are set out below. The questions for topic 2 are set out below too. Your tasks are as follows: Create a document In word or In PDF form answering the following questions a) For each question In the quiz below, what Is your numerical answer? B) What formula or formulae did you use to solve the problem? Refer to the list of forum ay below) c) For each of the formulae you used in solving the problem, what parameter values (I. E. The inputs to the calculation) did you use to solve the problem? Quiz: Please answer the following questions IQ : How long will it take for $20, 000 to grow to $30, 000 at 8%p. A. Simple Interest? (In y ears correct to two decimal places) Q: Calculate the present value of $10, 000 due to be paid 3 years from now. The inter est. rate to use in the calculation is 14 Q: Calculate the present value of $10, 000 due to be paid 3 years from now.

The Inter est. rate to use In the calculation Is 2 Q: If compound interest is charged at 2. 0% per month, what is the effective annual r ate of interest(as a percentage correct to two decimal places)? Q: How long (in years) does it take for money deposited in a bank account to Cumae late to double the initial amount at the Interest rate Q: $10, 000 is invested for 8 years. Calculate the future value if interest is at years. 6% for 3 years followed by 12% for 5 CT. A days promissory note (this is similar to a bank bill) will mature for $100, 000 plus Simi lee interest at 5%p. A.

Calculate the maturity value of the note. Correct the answer to 2 decimal places.) Q: Seventy days after the issue date, the original owner sold the note to Tiffany for $ 97, 651. 13. Calculate the rate of simple expressed as a

percentage correct to 2 decimal places.) Q: Seventy days after the issue date, the original owner sold the note to Tiffany for $ interest p. A. Earned by the original owner of the note over that holding period. (The a answer should be expressed as a percentage correct to 2 decimal places.) QUO: what is the modified duration of the note in question 8?

To answer this you nee to know the term to maturity of the note and the rate of interest used to calculate the purchase price of the note (this is also c allied the yield to maturity) which is the answer to question 8. 2 Read the document “ spreadsheet implementation of LA” write a spreadsheet to perform the calculations set out there. s s o POI, I sop I o poor]T so pool o art Principal amount or present value Future value Term of loan / investment Interest earned / paid over term Rate of simple interest per annum Rate of compound interest per year Simple interest Total Interest Earned Simple interest earned over term.