

Ec. 162 Syllabus 5-90

Rdgs. Ec. 162

"Skeletal Outline", Notes, '86.

Narrative Outline, "Intro. to Face", '84.

Rising L.V.

$$a = 10$$

$$n = 15$$

$$K = \cancel{800} 70$$

$$i_0 = .08$$

$$\Delta i = .01$$

$$R_n = 500$$

What is E of R_n wrt i ?

Use 3 sig. figs.

.. .. E of NPV of G_1 wrt. i ?

.. .. E of G

Xtra

$$R_n @ .08 = 500 \times \cancel{.315}$$

$$@ .09 = 500 \times .275$$

$$1 - \frac{.275}{.315} = 1 - .872 = .128$$

$$\Delta PV = \cancel{500(.315)} = .275$$

$$\Delta PV = 500(.275 - .315) =$$

$$\frac{\Delta PV}{V_0} = 500 \frac{.275 - .315}{.315} = \frac{.275}{.315} - 1 = -.128$$

$$\frac{\Delta i}{i} = \frac{.01}{.08} = .125$$

$$E = \frac{-.128}{.125} = -1.028$$

$$\textcircled{a} 8\% \quad G_1 = 10 \cdot 8.559 - \overset{70}{\cancel{70}} = 85.59 - 70 = 15.59$$

$$\textcircled{a} 9\% \quad = 10 \cdot 8.061 - 70 = 80.61 - 70 = 10.61$$

$$\Delta G = -4.980$$

$$\frac{\Delta G}{15.59} = .319$$