1.16 At an interest rate of 8% per year, $10,000 today is equivalent to how much \textbf{a)} 1 year from now and \textbf{b)} 1 year ago?

1.18 An investment of $40000 one year ago and $50000 now are equivalent at what interest rate?

1.21 A local bank is offering to pay compound interest of 7% per year on a new savings accounts. An e-bank is offering 7.5% per year simple interest on a \% year certificate of deposit. Which offer is more attractive to a company that wants to set aside $1,000,000 now for a plant expansion 5 years from now?

1.38 Identify the following as cash inflows or outflows to Daimler-Chrysler: income taxes, loan interest, salvage value, rebates to dealers, sales revenues, accounting services, cost reductions.

1.39 Construct the cash flow diagrams for the following cash flows, $10000 outflow at time zero, $3000 per year outflows in years 1 through 3 and $9000 inflow in years 4 through 8 at an interest rate of 10\% per year, and unknown future amount in 8.

1.41 Use the rule of 72 to estimate the time it would take for an initial investment of $10000 to accumulate to $20000 at a compound rate of 8\% per year.

1.43 Use the rule of 72 to estimate the interest rate that would be required for $5000 to accumulate to $10000 in 4 years.