Example 3:

In the last example, what is the size of each equal payment if the comparison date is set ten months hence?

Example 4:

Donna owes (a) €500 due in six months and (b) €1,000 plus 8% interest due in three months. If money is worth 6%, what single payment nine months hence will be equivalent to the two original debts?

Equivalent Time

Example 1:

When will a single payment of €1,010 discharge the debts of (a) €400, (b) €500, and (c) €100, due in 30 days, 60 days, and 90 days, respectively? Assume that the rate of interest is 6%.

Example 2:

When will a single paymenr of €1,000 discharge the debts in Example 1?

Example 3:

A store purchased merchandise in the following amounts: €200, due in three months; €500, due in four months; and €100, due in six months. What will the equated date be if a single payment of €800 discharges the three debts? Assume that the rate of interest is 18%.

Example 4:

The debts €200, €300, and €500 are due in 11 days, 20 days, and 30 days, respectively. If the payment plans are changed to pay €100, €200, and €300 in 10 days, 20 days, and 30 days, when will a single payment of €400 discharge the balance?

Example 5:

A man made the following purchases at the Harrow Hardware Co.: September 25, €400; October 25, €300; and December 4, €500. He made the following payments: October 19, €200 and Novenber 5, €100. What is the equated date on which he may make a single payment of €900 to discharge the balance?