# EASTERN UNIVERSITY, SRI LANKA FACULTY OF COMMERCE AND MANAGEMENT

29 APR 2015 Third Year First Semester Examination in Bachelor of Commerce/ Bachelor of Commerce (Specialization in Accounting and Finance)-2012/2013(February 2015)

(Proper/ Repeat/ Re-Repeat)

DAF 3043 Corporate Finance

Answer All Questions. Calculator Permitted. Use Table Attached.

Time: Three (03) hours.

01. (I) "A strong financial result and financial position of a company will essentially secure its future survival". Critically assess the above statement with supportive evidence from Sri Lankan context.

(04 Marks)

(II) Discuss the objectives and the limitations of accounting ratio analysis as a tool of financial statement analysis.

(04 Marks)

(III) The statement of income and the statement of financial position of Lanka Text for the year 2014 are given below.

	Rs.'000
Sales	80,000
Cost of Sales	(32,000)
Gross profit	48,000
Distribution Cost	(16,000)
Administrative expenses	(8,000)
Interest	(4,000)
Profit before tax	20,000
Tax expenses	(4,000)
Profit after tax	16,000

Statement of Income for the year ended 31st March 2014

1

Statement of Financial Position as at 31st March 2014

	Rs.'000
Property plant and equipment	62,000
Inventory	2,000
Trade Debtors	8,000
Cash and bank	2,000
Total assets	74,000
Stated capital	25,000
Retained profit	30,000
Bank loan	13,000
Trade payables	6,000
Equity and total liabilities	74,000

Following accounting ratios are available for the prior period (2013)

50%
3.5:1
0.6:1
8 times
7 times
4 times

## **Required:**

(i) Compute the ratios for the year 2014 equivalent for those given for the prior period

(ii) Give two possible reasons for the each variations, if any, in following ratios:

- (a) Gross profit ratio
- (b) Inventory turnover ratio

(iii) Comment on the firm's short term and long term financial position

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- 02. (I) XYZ bank pays 15% compound interest quarterly. If Rs.1000 is deposited initially, how much shall it grow at the end of 5 years?
  - (II) How long will it take to double Rs.1000 if it grows at 15% annually?
  - (III) A person bought a share 15 years ago for Rs.10. it is now selling for Rs.27.60. What is the compound growth rate in the price of the share?
  - (IV) A person is borrowing Rs.50000 to buy a low-income group house. If he pays equal installments for 25 years and 4 % interest on outstanding balance, what is the amount of installment? What shall be the amount of installment if quarterly payments are required to be made?
  - (V) A company has issued debentures of Rs.5000000 to be repaid after 7 years. How much should the company invest in a sinking fund earning 12% in order to be able to repay debentures?
  - (VI) A bank has offered to you an annuity of Rs.1800 for 10 years if your invest Rs.12000 today. What rate of return would you earn?

(Total 20 Marks)

03. The S plc and the M plc have the following probability distribution of returns from their securities:

Probability	Returns					
·······································	S plc	M plc				
0.1	32	-30				
0.2	20	-17				
0.4	14	06				
0.2	- 5	12				
0.1		12				
	0.2 0.4 0.2	Probability S plc   0.1 32   0.2 20   0.4 14   0.2 - 5				

3

## **Required:**

Calculate the following:

- (i) Calculate the Expected Rate of Return of security S and security M.
- Measure the Risk of investing in each of the securities by finding the Sta (ii) deviation of returns of each security and comment on the risk measured.
- Calculate (a) the Covariance of Returns and (b) the Correlation Coefficient of Returns and (b) the Coefficient (iii) between S and M and explore the possibility of reducing the risk by creating a po investing in both securities.
- If a portfolio is created by investing 70% of wealth in security S and 30% in secur (iv) what will be the Expected Rate of Return of the Portfolio?
- Measure the Risk of the Portfolio by calculating its Standard Deviation of its re (v) and comment on the risk of the portfolio.
- Determine the optimal combination of S and M to form minimum risk portfolio. (vi)

(Total 20 Ma

04. A company is considering the following investment projects:

Projects		Cash flo	ws (Rs.)	
in Gyden	C <sub>0</sub>	C <sub>1</sub>	C <sub>2</sub>	C <sub>3</sub>
A	-15000	+20000		
В	-15000	+15000	+7500	
С	-15000	+4000	+4000	+12000
D	-15000	+10000	+3000	+3000

### **Required:**

(I) Calculate the following assuming discount rate of 12%.

(a) NPV	(b) IRR
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(c) ARR (d) Discounted Payback

(II) Assuming the projects are independent, which one should be accepted?

(III) If the projects are mutually exclusive, which project is the best?

(Total 20 Mar

05. (a) List four key underlying assumption of Cost-Volume-Profit (CVP) analysis.

(b) Discuss the advantages of CVP analysis for an organization.

(04 marks)

(04 marks)

(c) KPL plc intends to make and sell four products and has prepared a budget for the next twelve months. Details of forecasts are shown below:

Product	W	Х	Y	Z
Sales Value (Rs.'000)	1000	500	400	600
Variable Cost (Rs.'000)	600	600	300	450

Budgeted fixed costs are RS.250,000 per annum and total assets employed are Rs.570,000.

## **Required:**

a

rn

N

rn

15

(i) Calculate the total contribution earned by each product and their combined profit volume ratio.

(03 marks)

(ii) Prepare a profit - volume chart and show the break-even sales value if this company is producing in the most profitable way (use a graph paper).

## (06 marks)

(iii) Describe briefly three ways in which the overall contribution to sales ratio could be improved.

(03 marks)

(Total 20 Marks)

### Present Value and Future Value Tables

Table A-3 Present Value Interest Factors for One Dollar Discounted at k Percent for n Periods:  $PVIF_{k,n} = 1/(1 + k)^{n}$ 

Period	1%	2%	3%	4%	5%	6%	7%	8%	9%	10%	11%	12%	13%	14%	15%	16%	20%	2 402	1 000	7
1	0.9901	0.9804	0.9709	0.9615	0.9524	0.9434	0.9346	0.9259	0.9174	0.9091	0.9009	0.8929	0.8850	0.8772	0.8696	0.8621	0.8333	24%	25%	30%
2	0.9803	0.9612	0.9426	0.9246	0.9070	0.8900	0.8734	0.8573	0.8417	0.8264	0.8116	0.7972	0.7831	0.7695	0.7551	0.7432		0.8065	0.006.0	0.7692
3	0.9706	0.9423	0.9151	0.8890	0.8638	0.8396	0.8163	0.7938	0.7722	0.7513	0.7312	0.7118	0.6931	0.6750	0.6575	0.6407	0.6944	0.6504	0.8400	0.5917
4	0.9610	0.9238	0.8885	0.8548	0.8227	0.7921	0.7629	0.7350	0.7084	0.6830	0.6587	0.6355	0.6133	0.5921	0.5718	0.5523	0.5787	0.5245	0.5120	0.455
5	0.9515	0.9057	0.8626	0.8219	0.7835	0.7473	0.7130	0.6806	0.6499	0.6209	0.5935	0.5674	0.5428	0.5194	0.4972	0.3523	0.4823	0.4230	0.4096	0.3501
										1	A Martine and Apple and		1	0.0104	0.4016	0.4701	0.4019	0.3411	0.3277	0.2693
6	0.9420	0.8880	0.8375	0.7903	0.7462	0.7050	0.6663	0.6302	0.5963	0.5645	0.5346	0.5066	0,4803	0.4556	0.4323	0.4104	0,3349	0.0754	-	
	0.9327	0.8706	0.8131	0.7599	0.7107	0.6651	0.6227	0.5835	0.5470	0.5132	0.4817	0.4523	0.4251	0.3996	0.3753	0.3538		0.2751	0.2621	0.2072
8	0.9235	0.8535	0.7894	0.7307	0.6768	0.6274	0.5820	0.5403	0.5019	0.4665	0.4339	0.4039	0.3762	0.3506	0.3259	0.3050	0.2791	0.2.218	0.2097	0.1594
9	0.9143	0.8368	0.7664	0.7026	0.6446	0.5919	0.5439	0.5002	0.4604	0.4241	0.3909	0.3606	0.3329	0.3075	0.2843	0.2630	0.2326	0.1789	0.1678	0.1226
10	0.9053	0.8203	0.7441	0.6756	0.6139	0.5584	0.5083	0.4632	0.4224	0.3855	0.3522	0.3220	0.2946	0.2697	0.2472	0.2030		0.1443	0.1342	0.0943
													0.2040	0.2001	0.2412	0.2261	0.1615	0.1154	0.1074	0.0725
11	0.8963	0.8043	0.7224	0.6496	0.5847	0.5258	0.4751	0.4289	0.3875	0.3505	0.3173	0.2875	0.2607	0.2365	0.2149	0.1954	0.4040	0.0000		
12	0.8874	0.7885	0.7014	0.6246	0.5568	0.4970	0.4440	0.3971	0.3555	0,3186	0.2858	0.2567	0.2307	0.2076	0.1869		0.1346	0.0938	0.0855	0.0558
13	0.8787	0.7730	0.6810	0.6006	0.5303	0.4688	0.4150	0.3677	0.3262	0.2897	0.2575	0.2292	0.2042	0.1821	0.1625	0.1685	0.1122	0.0757	0.0687	0.0429
14	0.8700	0.7579	0.6611	0.5775	0.5051	0.4423	0.3878	0.3405	0.2992	0.2633	0.2320	0.2046	0.1807	0.1597	0.1628	0.1452	6.0935	0.0610	0.0550	0.0330
15	0.8613	0.7430	0.6419	0.5553	0.4810	0.4173	0.3624	0.3152	0.2745	0.2394	0.2090	0.1327	0.1599	0.1401	0.1229	0.1252	0.0779	0.0492	0.0440	0.0254
				and the								011041	0.1033	0.1401	V.1463	0.1079	0.0649	0.0397	0.0352	0.0195
16	0.8528	0.7284	0.6232	0.5339	0.4581	0.3936	0.3387	0.2919	0.2519	0.2176	0.1883	0.1531	0.1415	0.1229	0.1069	0.0930	0.0544			
17	0.8444	0.7142	0.6050	0.5134	0.4363	0.3714	0.3166	0.2703	0.2311	0.1978	0.1696	0.1456	0.1252	0.1078	0.0929		0.0541	0.0320	0.0281	0.0150
18	0.8360	0.7002	0.5874	0.4936	0.4155	0.3503	0.2959	0.2502	0.2120	0,1799	0.1528	0.1300	0.1108	0.0946	0.0808	0.0802	0.0451	0.0258	0.0225	0 0116
19	0.8277	0.6864	0.5703	0.4746	0.3957	0.3305	0.2765	0.2317	0.1945	0,1635	0.1377	0.1161	0.0981	0.0829	0.0703	0.0596	0.0376	0.0208	0.0180	0.9089
20	0.8195	0.6730	0.5537	0.4564	0.3769	0.3118	0.2584	0.2145	0.1784	0.1486	0,1240	0.1037	0.0868	0.0728	0.0703	0.0596	0.0313	0.0168	0.0144	0.0068
													10.0000	0.0120	0.0011	0.0514	0.0261	0.0135	0.0115	0.0053
21	0.8114	0.6598	0.5375	0.4388	0.3589	0.2942	0.2415	0.1987	0.1637	0.1351	0.1117	0.0926	0.0768	0.0638	0.0531	0.0443	0.0217	0.0400		
22	0.8034	0.6468	0.5219	0.4220	0.3418	0.2775	0.2257	0.1839	0.1502	0.1228	0.1007	0.0826	0.0680	0.0560	0.0462	0.0382		0.0109	0.0092	0.0040
23	0.7954	0.6342	0.5067	0.4057	0.3256	0.2618	0.2109	0.1703	0.1378	0.1117	0.0907	0.0738	0.0601	0.0491	0.0402	0.0382	0.0181	8800.0	0.0074	6.0031
24	0.7876	0.6217	0.4919	0.3901	0.3101	0.2470	0.1971	0.1577	0.1264	0,1015	0.0817	0.0659	0.0532	0.0431	0.0349	0.0284	0.0151	0.0071	0.0059	0.0024
25	0.7798	0.6095	0.4776	0.3751	0.2953	0.2330	0.1842	0.1460	0.1160	0.0923	0.0736	0.0588	0.0471	0.0378	0.0304	0.0264	0.0126	0.0057	0.0047	0.0018
												0.0000	4.0471	0.0310	0.0304	0.0240	0.0105	0.0046	£1.0038	0.0014
30	0.7419	0.5521	0.4120	0.3083	0.2314	0.1741	0.1314	0.0994	0.0754	0.0573	0.0437	0.0334	0.0256	0.0196	0.0151	0.0440	0 1040	0.0040		
35	0.7059	0.5000	0.3554	0.2534	0.1813	0.1301	0.0937	0.0678	0.0490	0.0356	0.0259	0.0189	0.0139	0.0102	0.0075	0.0116	0.0042	0.0016	0.0012	
36	0.6989	0.4902	0.3450	0.2437	0.1727	0.1227	0.0875	0.0626	0.0449	0.0323	0.0234	0.0169	10.0123	0.0102	0.0075	0.0055	0.0017	0.0005		
40	0.6717	0.4529	0.3066	0.2083	0.1420	0.0972	0.0668	0.0460	0.0318	0.0221	0.0154	0.0103	0.0125	0.0089		0.0048	0.0014			a
50	0.6080	0.3715	0.2281	0.1407	0.0872	0.0543	0.0339	0.0213	0.0134	0.0085	0.0054	0.0035	0.0075	0.0053	0.0037	0.0026	0.0007		*	

Table A-4 Present Value interest Factors for a One-Dollar Annuity Discounted at k Percent for n Periods: PVIFA =  $[1 - 1/(1 + k)^n] / \frac{1}{2}$ 

Period	1%	2%	3%	4%	5%	6%	7%	8%	1 001	1	1									The second second second
1	0.9901	0.9804	0.9709	0.9615	0.9524	0.9434	0.9346	0.9259	9% 0.9174	10%	11%	12%	13%	14%	15%	16%	20%	24%	2.5%	30%
2	1.9704	1.9416	1.9135	1.8861	1.8594	1.8334	1.8080	1.7833		0.9091	0.9009	0.8929	0.8850	0.8772	0.8696	0.8621	0.8333	9.8065	0.800.0	0.7892
3	2.9410	2.8839	2.8286	2.7751	2.7232	2.6730	2.6243	2.5771	1.7591	1.7355	1.7125	1.6901	1.6881	1.6467	1.6257	1.6052	1.5278	1.4568	1.4400	1.3609
4	3.9020	3.8077	3.7171	3.6299	3.5460	3.4651	3.3872		2.5313	2.4869	2.4437	2.4018	2.3612	2.3216	2.2832	2.2459	2.1065	1.5813	1.9520	1.8169
5	4.8534	4.7135	4.5797	4.4518	4.3295	4.2124	4.1002	3.3121	3.2397	3.1699	3.1024	3.0373	2.9745	2.9137	2.8550	2.7982	2.5887	2.4043	2.3616	2.1662
					4.42.00	4.6164	4.1002	3.9927	3.8897	3.7908	3.6859	3.5048	3.5172	3.4331	3.3522	3.2743	2.9906	2.7454	2.6893	2.4356
6	5.7955	5.6014	5.4172	5,2421	5.0757	4.9173	4 70.04													
7	6.7282	6.4720	6.2303	6.0021	5.7864	5.5824	4.7665	4.6229	4.4859	4.3553	4.2305	4.1114	3.9975	3.8887	3.7845	3.6847	3.3255	3.0205	2.9514	2.6427
8	7.6517	7.3255	7.0197	6.7327	6.4632		5.3893	5.2064	5.0330	4.8684	4.7122	4.5638	4.4226	4.2883	4.1604	4.0388	3.6046	3.2423	3.1611	2.8021
9	8.5660	8.1622	7.7861	7.4353	7.1078	6.2098	5.9713	5.7456	5.5348	5.3349	5.1461	4.9676	4.7988	4.6389	4.4873	4.3436	3.8372	3.4212	3.3289	2.9247
10	9.4713	8.9826	8.5302	8.1109		6.8017	6.5152	6.2469	5.9952	5.7590	5.5370	5.3282	5.1317	4.9464	4.7716	4.6065	4.0310	3.5655	3.4631	3.0190
		0.0020	0.0302	0.1109	7.7217	7.3601	7.0236	6.7101	6.4177	6.1446	5.8892	5.6502	5.4262	5.2161	5.0188	4,8332	4.1925	3.6813	3.5705	3.0915
11	10,368	9.7868	9.2526	8.7605																
12	11.255	10.575	9.9540	9.3851	8.3064	7.8869	7.4987	7.1390	6.8052	6.4951	6.2065	5.9377	5.6869	5.4527	5.2337	5.0286	4.3271	3.7757	3.6564	3.1 473
13	12.134	11.348	10.635	9.9856	8.8633	8.3838	7.9427	7.5361	7.1607	6.8137	6.4924	6.1944	5.9176	5.6603	5.4206	5.1971	4.4392	3.8514	3.7251	3.1903
14	13.004	12.106	11.296		9.3936	8.8527	8.3577	7.9038	7.4869	7.1034	6.7499	6.4235	6.1218	5.8424	5.5831	5.3423	4.5327	3.9124	3.7801	3.2233
15	13.865	12.849		10.563	9.8986	9.2950	8.7455	8.2442	7.7862	7.3667	6.9819	6.6282	6.3025	6.0021	5.7245	5.4675	4.6106	3.9616	3.8241	3.2487
	10.000	12.045	11.938	11.118	10.380	9.7122	9.1079	8.5595	3.0607	7.6061	7.1909	6.8109	6.4624	6.1422	5.8474	5.5755	4.6755	4.0013	3.3593	3.2682
16	14.718	13.578	40 504																	
17	15.562	14.292	12.561	11.652	10.838	10.106	9.4466	8.8514	8.3126	7.8237	7.3792	6.9740	6.6039	6.2651	6.9542	5.6585	4.7296	4.0333	3.8874	3.2832
18	16.398		13.166	12.166	11.274	10.477	9.7632	9.1216	8.5436	8.0216	7.5488	7.1196	6.7291	6.3729	6.0472	5.7487	4.7746	4.0591	3.909 9	3.2948
19		14.992	13.754	12.659	11.690	10.828	10.059	9.3719	8.7556	8.2014	7.7016	7.2497	6.8399	6.4674	6.1280	5.8178	4.8122	4.0799	3.9279	3.3037
20	17.226	15.678	14.324	13.134	12.085	11.158	10.336	9.6036	8.9501	8.3649	7.8393	7.3658	6.9380	6.5504	6.1982	5.8775	4.8435	4.0967	3.9424	3.3105
	18.046	16.351	14.877	13.590	12.462	11.470	10.594	9.8181	9.1285	8.5136	7.9633	7.4694	7.0248	6.6231	6.2593	5.9288	4.8696	4.1103	3.9539	3.3158
21	18.857	17									1									
		17.011	15.415	14.029	12.821	11.764	10.836	10.017	9.2922	8.5487	8.0751	7.5620	7.1016	6.6870	6.3125	15.9731	4.8913	4.1212	3.9631	3,3198
22	19.660	17.658	15.937	14.451	13.163	12.042	11.061	10.201	9.4424	8.7715	8.1757	7.6446	7.1695	6.7429	6.3587	6.0113	4.9094	4,1300	3.9705	3,3230
23	20.456	18.292	16.444	14.857	13.489	12.303	11.272	10.371	9.5302	8.8832	8.2664	7.7184	7.2297	6.7921	6.3988	6.0442	4.9245	4.1371	3.9764	3.3254
24	21.243	18.914	16.936	15.247	13.799	12.550	11.469	10.529	9.7066	8.9847	8.3481	7.7843	7.2829	6.8351	6.4338	6.0726	4.9371	4.1428	3.9811	3.3272
25	22.023	19.523	17.413	15.622	14.094	12.783	11.654	10.675	9.8226	9.0770	8.4217	7.8431	7.3300	6.8729	6.4641	5.0971	4.9476	4.1474	3,9849	3.3286
						-													0.0040	0.02.00
30	25.808	22.396	19.600	17.292	15.372	13.765	12.409	11.258	10.274	9.4269	8.6938	8.0552	7.4957	7.0027	6.5660	8.1772	4.9789	4.1601	3.9950	3.3321
35	29.409	24.999	21.487	18.665	16.374	14.498	12.948	11.655	10.567	9.6442	8.8552	8.1755	7.5856	7.0700	6.6166	5.2153	4,9915	4.1644	3.9984	3.3330
36	30.108	25.489	21.832	18.908	16.547	14.621	13.035	11.717	10.612	3.6765	8.8786	8.1924	7.5979	7.0790	6.6231	8.2201	4.9929	4.1649	3.9987	3.3330
40	32.835	27.355	23.115	19.793	17.159	15.046	13.332	11.925	10.757	9.7791	8.9511	8.2438	7.8344	7.1050	6.6418	6.23.35	4.9966	4.1659	3.9995	3.3332
50	39.196	31.424	25.730	21.482	18.256	15.762	13.801	12.233	10.962	9.9148	9.0417	8,3045	7.6752	7.1327	6.6605	6.24/33	4.9995	4.1665	3,9999	3.3332

## Present Value and Future Value Tables

Table A-1 Future Value Interest Factors for On-	e Dollar Compounded at k	Porcent for a Daviada Data
		Percent for a Periods: $FVIF_{k,n} = (7 + K)^n$

Period	1%	2%	3%	4%	5%	6%	7%	8%	9%	10%	11%	1. 12%	13%	14%	1 4504	Turn	-	-	-
1	1.0100	1.0200	1.0300	1.0400	1.0500	1.0600	1.0700	1.0800	1.0900	1.1000	1.1100	1.1200	1.1300		15%	16%	20%	24%	-
2	1.0201	1.0404	1.0609	1.0816	1.1025	1.1236	1.1449	1.1664	1.1881	1.2100	1.2321	1.2544	1.1300	1.1400	1.1500	1.1600	1.2000	1.2400	1
3	1.0303	1.0612	1.0927	1.1249	1.1576	1.1910	1.2250	1.2597	1.2950	1.3310	1.3676	1.4049		1.2996	1.3225	1.3456	1.4400	1.5376	1
4	1.0406	1.0824	1.1255	1.1699	1.2155	1.2625	1.3108	1.3605	1.4116	1.4641	1.5181		1.4429	1.4815	1.5209	1.5609	1.7280	1.9066	1
5	1.0510	1.1041	1.1593	1.2167	1.2763	1.3382	1.4026	1.4693	1.5386	1.6105	1.6851	1.5735	1.6305	1.6890	1.7490	1.8106	2.0736	2.3642	2
				1.1.1.1.1.1			1			1.0100.	1.0001	1.7623	1.8424	1.9254	2.0114	2.1003	2.4883	2.9316	3.
6	1.0615	1.1262	1.1941	1.2653	1.3401	1.4185	1.5007	1.5869	1.6771	1,7716	1.8704	4 0 700							1
7	1.0721	1.1487	1.2299	1.3159	1.4071	1.5036	1.6058	1.7138	1.8280	1.9487		1.9738	2.0820	2.1950	2.3131	2.4364	2.9860	3.6352	3.
8	1.0829	1.1717	1.2668	1.3686	1.4775	1.5938	1.7182	1.8509	1.9926	2.1436	2.0762	2.2107	2.3526	2.5023	2.5600	2.8262	3.5832	4.5077	4.
9	1.0937	1.1951	1.3048	1.4233	1.5513	1.6895	1.8385	1.9990	2.1719	2.3579		2.4769	2.6584	2.8526	3.0590	3.2784	4.2998	5.5895	5.
10	1.1046	1.2190	1.3439	1.4802	1.6289	1.7908	1.9672	2.1589	2.3674		2.5580	2.7731	3.0040	3.2519	3.5179	3.8030	5.1598	6.9310	7.
				1.5				4.1000	2.0014	2.5937	2.8394	3.1058	3.3946	3.7072	4.0456	4.4114	6.1917	8.5944	9.
11	1.1157	1.2434	1.3842	1.5395	1.7103	1.8983	2.1049	2.3316	2.5804	2.8531	2 4 8 4 9								
12	1.1268	1.2682	1.4258	1.6010	1.7959	2.0122	2.2522	2.5182	2.8127		3.1518	3.4785	3.8359	4.2262	4.6524	5.1173	7.4301	10.657	11
13	1.1381	1.2936	1.4685	1.6651	1.8856	2.1329	2.4098	2.7196	3.0658	3.1384	3.4985	3.8960	4.3345	4.8179	5.3503	5.9360	8.9161	13.215	14
14	1.1495	1.3195	1.5126	1.7317	1.9799	2.2609	2.5785	2.9372	3.3417	3.4523	3.8833	4.3635	4.8980	5.4924	5.1528	6.8858	10.699	16.386	18
15	1.1610	1.3459	1.5580	1.8009	2.0789	2.3966	2.7590	3.1722	and these tax has a worked a name (so	3.7975	4.3104	4.8871	5.5348	6.2613	7.0757	7.9875	12.839	20,319	22
							4.1030	3.1722	3.6425	4.1772	4.7846	5.4736	6.2543	7.1379	8.1371	9.2655	15.407	25.196	28
16	1.1726	1.3728	1.6047	1.8730	2.1829	2.5404	2.9522	3.4259	3.9703	1 5050	8 84'86								
17	1.1843	1.4002	1.6528	1.9479	2.2920	2.6928	3.1588	3.7000	4.3276	4.5950	5.3109	6.1304	7.0673	8.1372	9.3576	10.748	18.488	31.243	35
18	1.1961	1.4282	1.7024	2.0258	2.4066	2.8543	3.3799	3.9960	4.7171	5.0545	5.8951	6.8650	,7.9861	9.2765	10.761	12.468	22.186	38.741	44
19	1.2081	1.4568	1.7535	2.1068	2.5270	3.0256	3.6165	4.3157		5.5599	6.5436	7.6900	9.0243	10.575	12.375	14.463	26.623	48.039	55
20	1.2202	1.4859	1.8061	2.1911	2.6533	3.2071	3.8697	4.8610	5.6044	6.1159	7.2633	8.6128	10.197	12.056	14.232	16.777	31.948	59.568	69
				1.4.5			9.0021	4.0010	5.6044	6.7275	8.0823	9.6463	.11.523	13.743	16.367	19.461	38.338	73.864	86
21	1.2324	1.5157	1.8603	2.2788	2.7860	3.3996	4.1406	5.0338	0.4000				1						
22	1.2447	1.5460	1.9161	2.3699	2.9253	3.6035	4.4304		6.1088	7.4002	8.9492	10.804	13.021	15.668	18.822	22.574	46.005	91.592	108
23	1.2572	1.5769	1.9736	2.4647	3.0715	3.8197	4.7405	5.4365	6.6586	8.1403	9.9336	12.100	14.714	17.861	21.645	26.186	55.206	113.574	138
24	1.2697	1.5084	2.0328	2.5633	3.2251	4.0489	and the second s	5.8715	7.2579	8.9543	11.026	13.552	16.627	20.362	24.891	30.376	66.247	140.831	169
25	1.2824	1.6406	2.0938	2.6658	3.3864	4.2919	5.0724	6.3412	7.9111	9.8497	12.239	15.179	18.738	23.212	28.625	35.236	79.497	174.631	211
	214.00				0.0004	4.6313	5.4274	6.8485	8.6231	10.835	13.585	17.000	21.231	26.462	32.919	40.874	95.396	216.542	264
30	1.3478	1.8114	2.4273	3.2434	4.3219	5.7435	7.0400												
35	1.4166	1.9999	2.8139	3.9461	5.5160		7.6123	10.063	13.268	17.449	22.892	29.960	39.116	50.950	66.212	85.850	237.376	634.820	807
36	1.4308	2.0399	2.8983	4.1039	5.7918	7.6861	10.677	14.785	20.414	28.102	38.575	52.800	72.069	98.100	133.176	180.314	590.668	*	-
40	1.4889	2.2080	3.2620	4.8010	7.0400	8.1473	11.424	15.968	22.251	30.913	42.818	59.136	;81.437	111.834	153.152	209.164	708.802		-
50	1.6446	2.6916	4.3839	7.1067		10.286	14.974	21.725	31.409	45.259	65.001	93.051	132.782	188.884	267.864	378.721	*		-
			4.00.00	1.100/	11.467	18.420	29.457	46.902	74.358	117.391	184.565	289.002	450.736	700.233			*	*	

Table A-2 Future Value Interest Factors for a One-Dollar Annuity Compouned at k Percent for n Periods: FVIFA k,n = [(1 + k)<sup>n</sup> - 1] / k

Period	1%	2%	3%	4%	5%	6%	7%	8%	9%	10%	1 11%	1 4 00/	1 4204	1	1	7			-
1	1.0000	1.0200	1.0300	1.0400	1.0500	1.0600	1.0700	1.0800	1.0900	1.1000	Committee and the second of the	12%	13%	14%	15%	16%	20%	24%	1:
2	2.0100	2.0200	2.0300	2.0400	2.0500	2.0600	2.0700	2.0800	2.0900		1.1100	1.1200	1.1300	1.1400	1.1500	1.1600	1.2000	1.2400	1.
3	3.0301	3.0604	3.0909	3.1216	3.1525	3.1836	3.2149	3.2464	3.2781	2.1000	2.1100	2.1200	2.1300	2.1400	2.1500	2.1600	2.2000	2.2400	2.1
4	4.0604	4.1216	4.1836	4.2465	4.3101	4.3746	4.4399	4.5061	4.5731	3.3100	3.3421	3.3744	3.4069	3.4396	3.4725	3.5056	3.6400	3.7776	3.8
5	5.1010	5.2040	5.3091	5.4163	5.5256	5.6371	5.7507	5.8666		4.6410	4.7097	4.7793	4.8498	4.9211	4.9934	5.0665	5.3680	5.6842	5.7
						0.0011	0.7007	0.0000	5.9847	6.1051	6.2278	6.3528	6.4803	6.6101	6.7424	6.8771	7.4416	8.0484	8.2
6	6.1520	6.3081	6.4684	6.6330	6.8019	6,9753	7.1533	7.3359	7 5000										1
7	7.2135	7.4343	7.6625	7.8983	8.1420	8.3938	8.6540	8.9228	7.5233	7.7156	7.9129	8.1152	8.3227	8.5355	8.7537	8,9775	9.9299	10.980	11.
8	8.2857	8.5830	8.8923	9.2142	9.5491	9.8975	10.260		9.2004	9.4872	9.7833	10.089	10.405	10.730	11.067	11.414	12.916	14.615	15.
9	9.3685	9.7546	10.159	10.583	11.027	11.491	1	10.637	11.028	11.436	11.859	12.300	12.757	13.233	13.727	14.240	16.499	19.123	19.
10	10.462	10.950	11.464	12.006	12.578	13.181	11.978	12.488	13.021	13.579	14.164	14.776	15.416	16.085	16.786	17.519	20.799	24.712	25.
				12.000	12.010	13.101	13.816	14.487	15.193	15.937	16.722	17.549	18.420	19.337	20.304	21.321	26.959	31.643	33.
11	11.567	12.169	12.808	13.486	14.207	14.972	45 701	1		+	+								
12	12.683	13.412	14.192	15.026	15.917	16.870	15.784	16.645	17.560	18.531	19.561	20.655	21.814	23.045	24.349	25.733	32.150	40.238	42.
13	13.809	14.680	15.618	16.627	17.713	and a state of the	17.888	18.977	20.141	21.384	22.713	24.133	25.650	27.271	29.002	30.850	39.581	50.895	54.
14	14.947	15.974	17.086	18.292	19.599	18.882	20.141	21.495	22.953	24.523	26.212	28.029	29.985	32.089	34.352	36.786	48.497	64.110	68.
15	16.097	17.293	18.599	20.024		21.015	22.550	24.215	26.019	27.975	30.095	32.393	34.883	37.581	40.505	43.672	59.196	80.496	86.
			10.000	20.024	21.579	23.276	25.129	27.152	29.361	31.772	34.405	37.280	40.417	43.842	47.580	51.560	72.035	100.815	109
16	17.258	18.639	20.157	21.825	00.007										1				
17	18.430	20.012	21.762	23.698	23.657	25.673	27.888	30.324	33.003	35.950	39.190	42.753	46.672	50.980	55.717	60.925	87.442	126.011	138.
18	19,615	21.412	23.414		25.840	28.213	30.840	33.750	36.974	40.545	44.501	48.884	53.739	59.118	65.075	71.673	105.931	157.253	173.
19	20.811	22.841	25.117	25.645	28.132	30.906	33.999	37.450	41.301	45.599	50.398	55.750	61.725	68.394	75.836	84.141	128.117	195,994	218.
20	22.019	24.297	26.870	27.671	30.539	33.760	37,379	41.446	46.018	51.159	56.939	63.440	70.749	78.969	88.212	98.603	154,740	244.033	273.
	22.010	44.4.31	40.070	29.778	33.066	36.786	40.995	45.762	51.160	57.275	84.203	72.052	80.947	91.025	102.444	115.380	186.688	303.601	342.
21	23.239	25.783	20 676	24 0.00							-								1
22	24.472	27.299	28.676 30.537	31.969	35.719	39.993	44.865	50.423	56.765	64.002	72.265	81.699	92.470	104.768	118.810	134.841	225.026	377.465	429.
23	25.716	28.845		34.248	38,505	43.392	49.006	55.457	62.873	71.403	81.214	92.503	105.491	120.436	137.632	157.415	271.031	469.056	538.
24	26.973	30.422	32.453	36.618	41.430	46.996	53.436	60.893	69.532	79.543	91.148	104.603	120.205	135.297	159.276	183.601	326.237	582.630	673.
25	28.243		34.426	39.083	44.502	50.816	58.177	66.765	76.790	88.497	102.174	118.155	136.831	158.659	184.168	213.978	392.484	723.451	843.
	AU.243	32.030	36.459	41.646	47.727	54.865	63.249	73.106	84.701	98.347	114.413	133.334	155.620	181.871	212.793	249.214	471.981	898.092	1
30	34.785	40.568	47 575																
35	41.660		47.575	56.085	66.439	79.058	94.461	113.283	136,308	164.494	199.021	241.333	293.199	356.787	434.745	530.312	*	*	
36	41.060	49.994	60.462	73.652	90.320	111.435	138.237	172.317	215.711	271.024	341.590	431.663	546.681	693.573	881.170	*	*	*	
40		51.994	63.276	77.598	95.836	119.121	148.913	187.102	236.125	299.127	380.164	484.463	\$18.749	791.673			*	R	
50	48.886	60.402	75.401	95.026	120.800	154.762	199.635	259.057	337.882	442.593	581.826	767.091	*	h	R			*	
30	04.403	84.579	112.797	152.667	209.348	290.336	406.529	573.770	815.084	+	*	*	*		*	*			