

### **Solution 1.18**

*Identify the four engineering economy symbols and their values. Use a question mark with the symbol whose value is to be determined.*

Bodine Electric, based in Des Moines, Iowa, USA, makes gear motors with a three-stage, selectively-hardened gearing cluster that is permanently lubricated. If the company borrows \$20 million for a new distribution facility in Europe, how much must it pay back each year to repay the loan in six equal annual payments at an interest rate of 10% per year?

*Solution:*

$$P = \$20,000,000; A = ?; n = 6; i = 0.10$$