

Solution 1.17

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

Determine the amount of money FrostBank might loan a housing developer who will repay the loan 2 years from now by selling eight water-view lots at \$240,000 each. Assume the bank's interest rate is 10% per year.

Solution:

$$P = ?; F = 8 \times 240,000 = \$1,920,000; n = 2; i = 0.10$$