

**XLRI JAMSHEDPUR – PMIR BFM 2008-10 BATCH**

Name \_\_\_\_\_

Roll # \_\_\_\_\_

*Important Instructions:*

- ◆ *Your serial number is to be taken as your Roll Number.*
- ◆ *Wherever it is marked XX take that figure as your roll number. For example, if your Roll Number were 01 then XX would always mean 01.*

1. Vijay Deep Nandal finally had a job after 14 years of college. To escape the high rent he bought a small hut for Rs. 100,000. He finances the full amount with a 30 year mortgage. The interest rate is XX% a year, and his payments are monthly. What is the equated monthly installment he has to pay?
2. Congratulations, suddenly you are a parent!!! Your daughter is expected to start her college days at an age of 18 years. If you put away Rs. 100 each month for 18 years, how much will you have when she is ready to begin college? The money is supposed to be invested in a 'monthly investment plan' with a promise of return of XX% per year compounded monthly?
3. Siddharth Chatterjee can afford Rs. 300 a month to purchase a car. If the interest rate is XX% a year and the loan is for 60 months, how much can he finance?
4. Rashmi Kamath plans to fund her individual retirement account, beginning today, with 5 annual deposits of Rs. 2,000, which she will continue for the next 5 years. If she can earn an annual compound rate of XX percent on her deposits, the amount in the account upon retirement will be \_\_\_\_\_
5. Mayukh Mitra borrows Rs. 10,500 from the bank at XX percent annually compounded interest to be repaid in six equal annual installments. The interest paid in the first year is \_\_\_\_\_
6. Hema Pachisia borrows Rs 19,500 from the bank at XX percent annually compounded interest to be repaid in 10 equal annual installments. The interest paid in the third year is \_\_\_\_\_
7. Last Diwali, Arun Kumar received a Rs. 1,500 bonus. His bonus is expected to grow by 5 percent for the next 5 years. How much will Arun Kumar have at the end of the fifth year if he invests his Diwali bonuses (including the most recent bonus) in a project paying XX percent per year?  
The answer is \_\_\_\_\_
8. You have been given a choice between two retirement policies as described below.  
Policy A: You will receive equal annual payments of Rs 1,000,000 in 35 years from now for 10 years.  
Policy B: You will receive one lump-sum of Rs 10,000,000 in 40 years from now.  
Which policy would you choose? Assume rate of interest is XX percent.
9. Akhilesh Sahu wins a lottery and the government promises to pay him Rs. 1,000,000 in ten years. His minimum acceptable rate of return on investments is XX%. What is the prize worth to him now?
10. If Rs 1000 is invested now, Rs 1500 two years from now, and Rs 800 four years from now at an interest rate of XX% compounded annually, what will be the total amount in 10 years?
11. For a 1 year period (a) In India, which bank offers you the highest rate of savings? Which NBFC offers you the highest rate of interest on fixed deposits? What will happen to Rs 1000/- invested for a period of one year? Provide appropriate reference for the same.