|  |  |  |
| --- | --- | --- |
| **Question 1** |  | **0 / 1 point** |

Suppose it is 2012. If you harvested your trees today you would harvest 15,000 tons per acre. However, if you let the trees live another year you could harvest 16,000 tons per acre in 2013. Assume that your profits are $0.50 per ton harvested, and that you could invest money at a risk-free interest rate of 8%.

What are your accounting profits in 2013 if you harvest the trees in 2013?

|  |  |  |
| --- | --- | --- |
|  |  | $1,000 per acre |
|  |  | $6,398.22 per acre |
|  |  | $8,000 per acre |
|  |  | $7,500 per acre |
|  |  | $10,000 per acre |
|  |  | $16,000 per acre |
|  |  | $8,433.12 per acre |

|  |  |  |
| --- | --- | --- |
| **Question 2** |  | **0 / 1 point** |

[This info is the same as the last question] *Suppose it is 2012. If you harvested your trees today you would harvest 15,000 tons per acre. However, if you let the trees live another year you could harvest 16,000 tons per acre in 2013. Assume that your profits are $0.50 per ton harvested, and that you could invest money at a* *risk-free interest rate of 8%.*

What are your accounting profits in 2013 if you harvest the trees in 2012 and invest the profits at 8%?

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | $10,000 per acre | | | |
|  |  | $1,000 per acre | | | |
|  |  | $7,500 per acre | | | |
|  |  | $8,433.12 per acre | | | |
|  |  | $8,100 per acre | | | |
|  |  | $6,398.22 per acre | | | |
|  |  | $16,000 per acre | | | |
| **Question 3** | | |  | **0 / 1 point** |

[This info is the same as the last question] *Suppose it is 2012. If you harvested your trees today you would harvest 15,000 tons per acre. However, if you let the trees live another year you could harvest 16,000 tons per acre in 2013. Assume that your profits are $0.50 per ton harvested, and that you could invest money at a* *risk-free interest rate of 8%.*

When should you harvest your trees?

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | 2013 | | | |
|  |  | 2012 | | | |
| **Question 4** | | |  | **0 / 1 point** |

As the interest rate falls, trees will be harvested at a(n) \_\_\_\_\_\_ age.

|  |  |  |
| --- | --- | --- |
|  |  | older |
|  |  | younger |

|  |  |  |
| --- | --- | --- |
| **Question 5** |  | **0 / 1 point** |

Suppose you invest $100,000 at an interest rate of 4% for 13 years. How much money will you have after 13 years?

|  |  |  |
| --- | --- | --- |
|  |  | $166,507.35 |
|  |  | $189,328.15 |
|  |  | $90,382.48 |
|  |  | $110,502.00 |
|  |  | $271,962.37 |
|  |  | $111,842.53 |
|  |  | $244,766.14 |

|  |  |  |
| --- | --- | --- |
| **Question 6** |  | **0 / 1 point** |

Suppose you invest $100,000 at an interest rate of 8% for 13 years. How much money will you have after 13 years?

|  |  |  |
| --- | --- | --- |
|  |  | $244,766.14 |
|  |  | $166,507.35 |
|  |  | $110,502.00 |
|  |  | $90,382.48 |
|  |  | $189,328.15 |
|  |  | $111,842.53 |
|  |  | $271,962.37 |

|  |  |  |
| --- | --- | --- |
| **Question 7** |  | **0 / 1 point** |

Suppose you invest $90,000 at an interest rate of 8% for 13 years. How much money will you have after 13 years?

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | $111,842.53 | | | |
|  |  | $189,328.15 | | | |
|  |  | $110,502.00 | | | |
|  |  | $244,766.14 | | | |
|  |  | $90,382.48 | | | |
|  |  | $271,962.37 | | | |
|  |  | $166,507.35 | | | |
| **Question 8** | | |  | **0 / 1 point** |

How much money would you need to invest today at an interest rate of 2% to have $50,000 after five years?

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | $8,382.48 | | | |
|  |  | $32,328.15 | | | |
|  |  | $45,286.54 | | | |
|  |  | $41,096.36 | | | |
|  |  | $24,858.84 | | | |
|  |  | $35,502.00 | | | |
|  |  | $40,842.53 | | | |
| **Question 9** | | |  | **0 / 1 point** |

How much money would you need to invest today at an interest rate of 4% to have $50,000 after five years?

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | $45,286.54 | | | |
|  |  | $41,096.36 | | | |
|  |  | $24,858.84 | | | |
|  |  | $40,842.53 | | | |
|  |  | $35,502.00 | | | |
|  |  | $8,382.48 | | | |
|  |  | $32,328.15 | | | |
| **Question 10** | | |  | **0 / 1 point** |

How much money would you need to invest today at an interest rate of 15% to have $50,000 after five years?

|  |  |  |
| --- | --- | --- |
|  |  | $24,858.84 |
|  |  | $41,096.36 |
|  |  | $32,328.15 |
|  |  | $8,382.48 |
|  |  | $35,502.00 |
|  |  | $45,286.54 |
|  |  | $40,842.53 |