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# **Iqra National University**

# Department of Civil Engineering

ASSIGNMENT

Discipline: MS Civil Engineering

Course Title: Construction Financial Management

Instructor Name: Dr.Engr. Muhammad Zeeshan Ahad

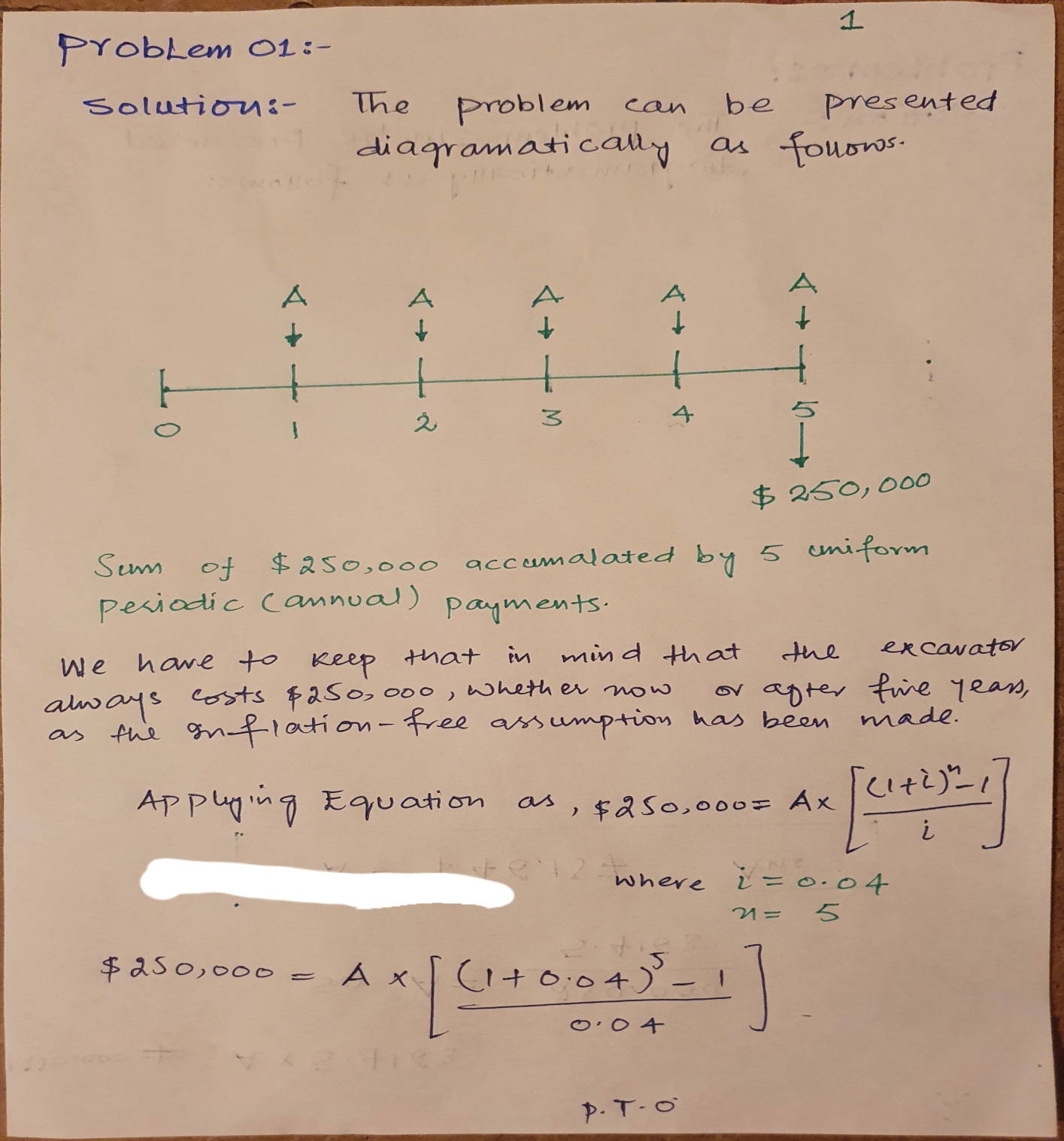
SUBMITTED BY: AFZAL HUSSAIN

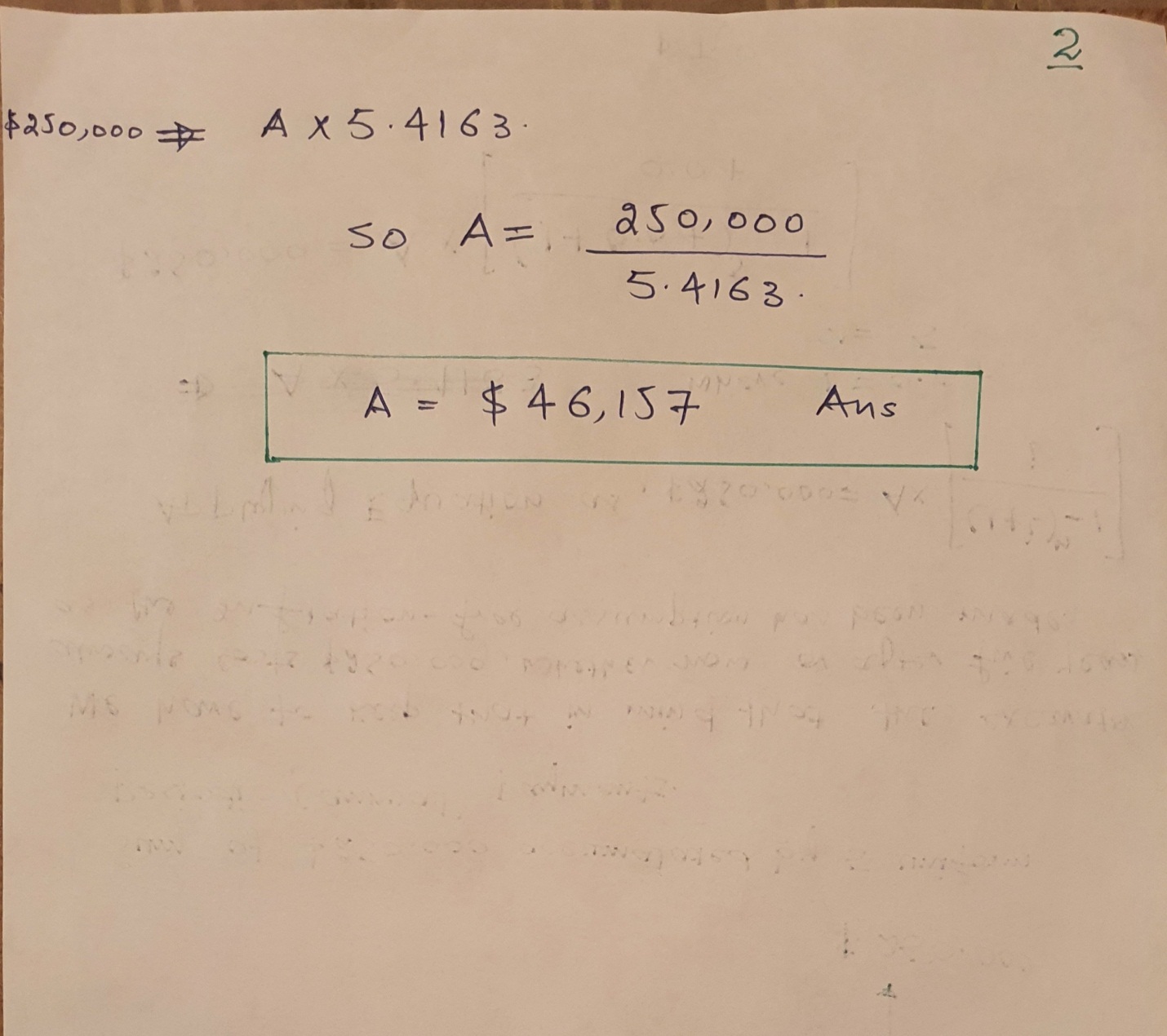
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**Problem 1: A construction company will replace an excavator after 5 years. A new one costs $250,000. How much is the end of year annual uniform payment the company has to put into a bank in order to save enough money in five years’ time for purchasing the equipment if the bank is offering an interest rate of 4%per annum?**

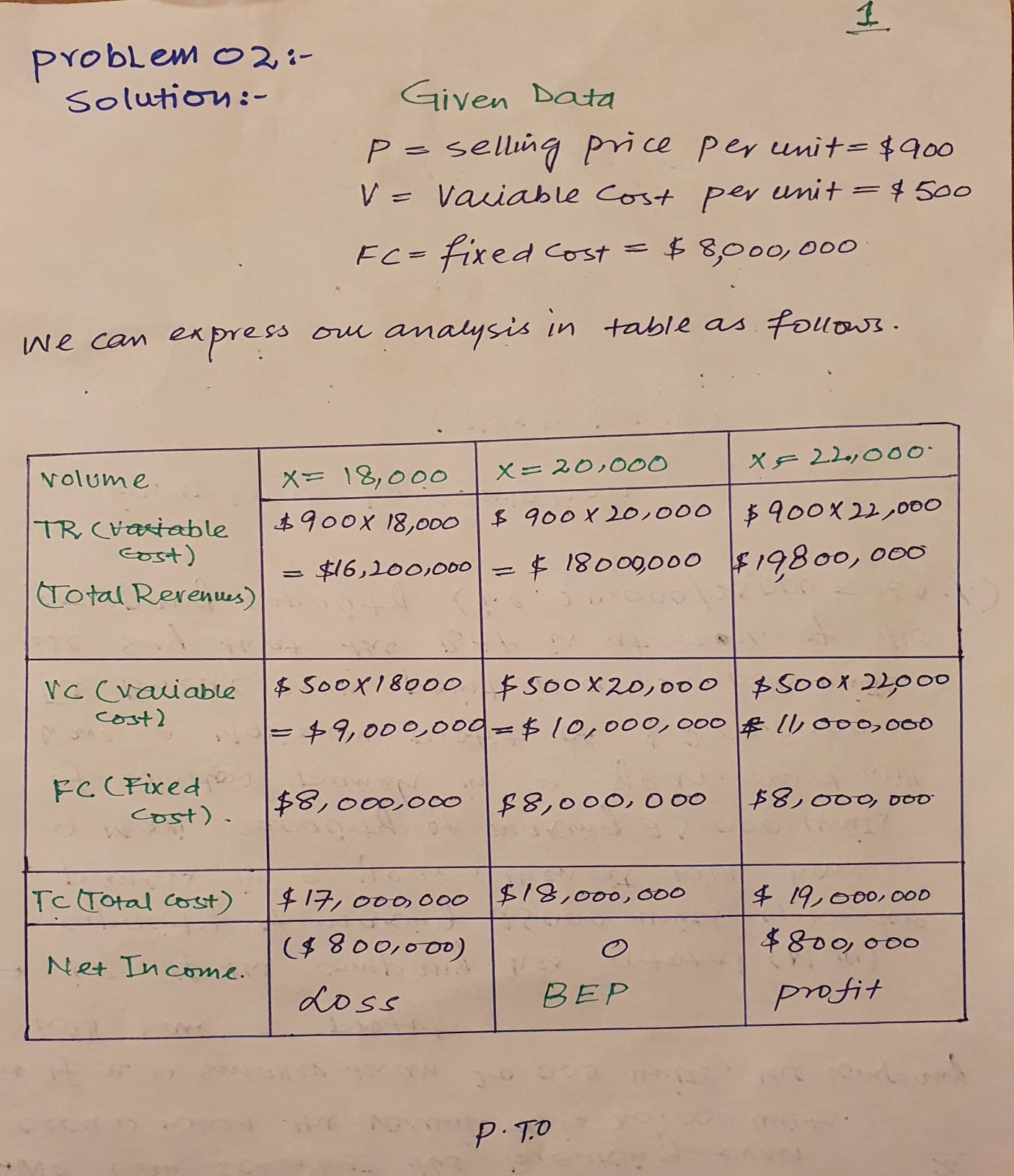
**Solution:**

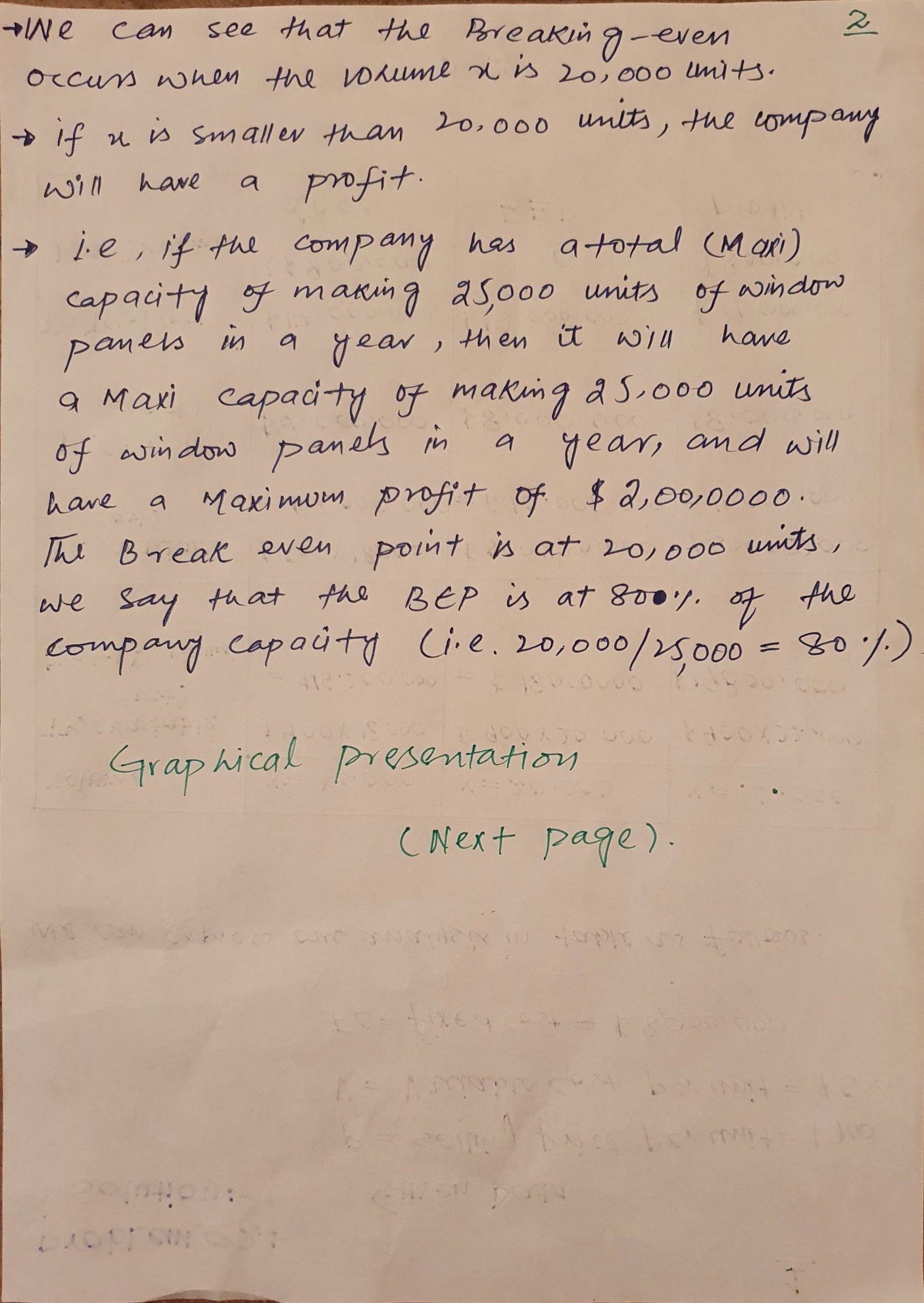
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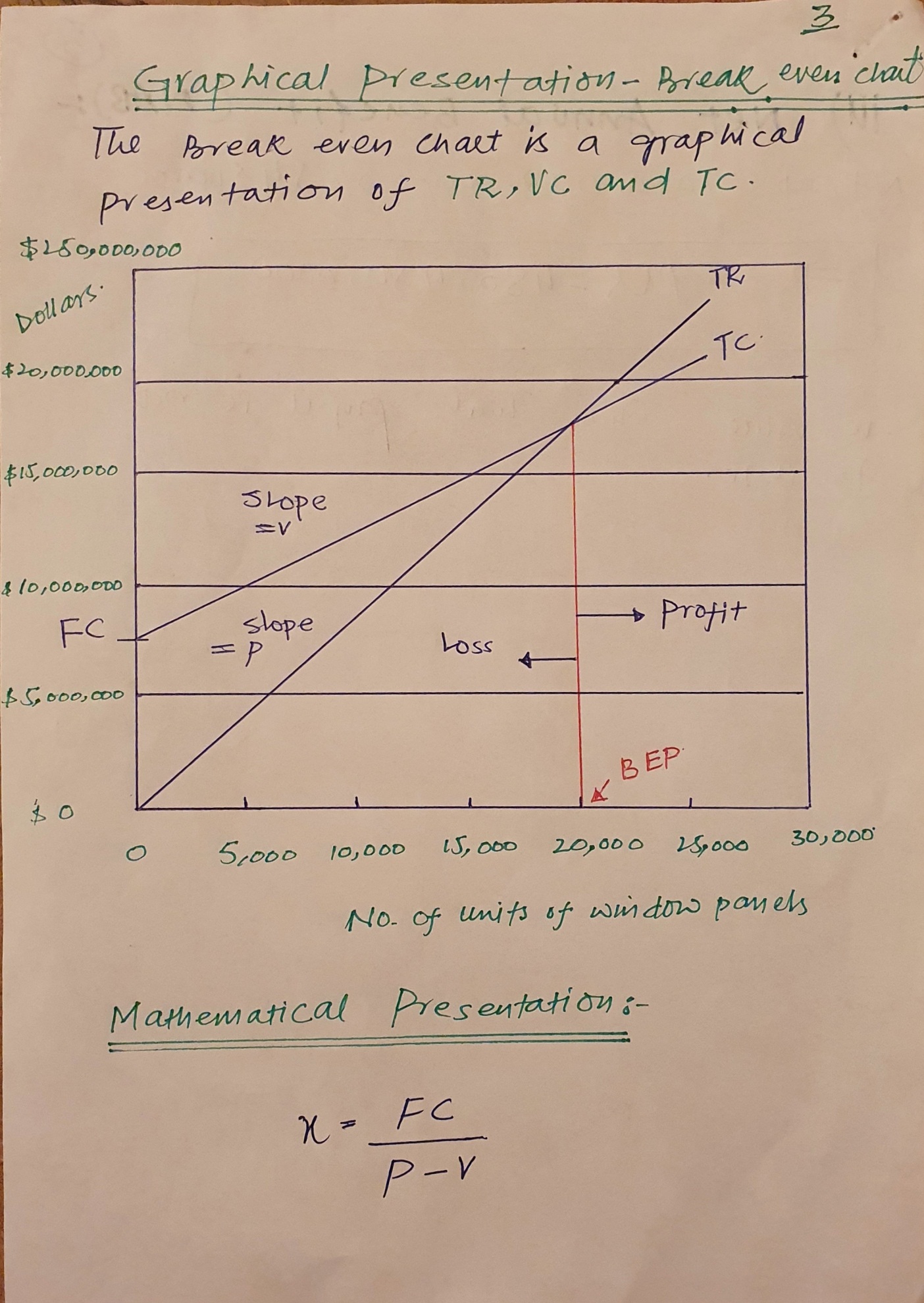


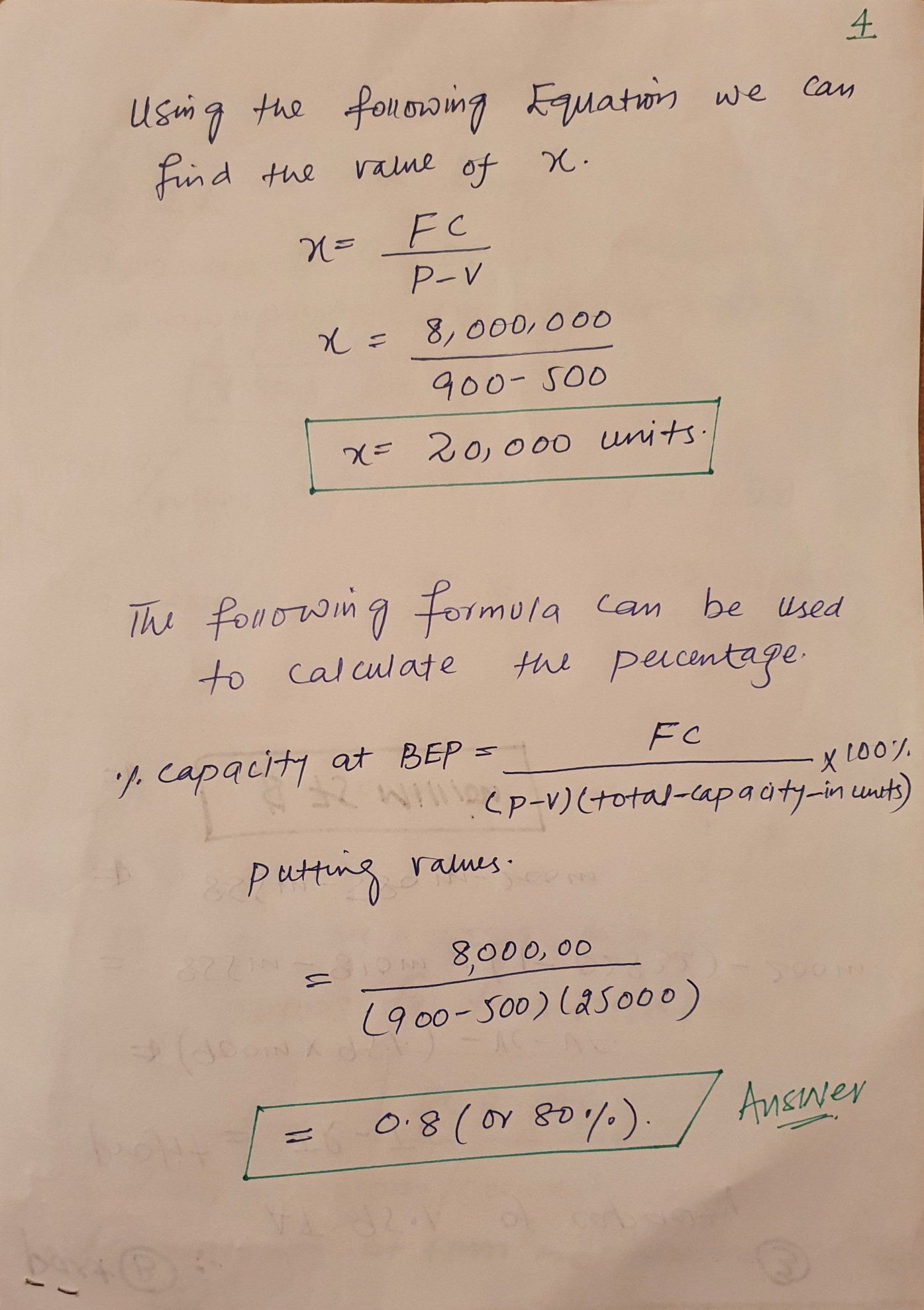
**Problem 2: A construction material company makes and sells window panels. The selling price per panel is $900. The variable cost for making the window panels is $500 per unit. The fixed cost is $8,000,000. Find the BEP ( Break-even Point).**

**Solution:**

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