**Practice questions for Time Value of Money problems**

Q1. (a) You invested $50,000 and 10 years later the value of your investment has grown to $185,361. What is your compounded annual rate of return over this period?

Q2. What is the present value of a $50 annual perpetual annuity using a discount rate of 8 percent? (3 marks)

Q3. (a) Ali has won the lottery and is going to receive $30,000 for 25 years; he received his first check today. The current discount rate is 9 percent. Find the present value of his winnings.

Q4. Calculate the present value of a $10,000 thirty-year annual ordinary annuity at an annual discount rate of 10 percent. (6 marks)