

Lent money 10000

interest rate

10 % p.a.

Maturity

1 year

How much will be the price after two months?

The offered discount rate is 11 % p. a.

Solution:

$$FV=10000*(1+0.1*1)=11000$$

$$PV(\text{after_2m})=11000*(1-0.11*9/12)=10092.3$$

Home work (optional)

1. How much get the client of promissory note after 2 months (1 point)

2. How long has to wait the client if he/she would like to obtain what was lent (10000)? In months a

and days. (4 points)