


**Course No:**  
**Course Title:** finance mathematics  
**Date:** 11/11/2010  
**No. of Questions:**(4)  
**Time:** one hour  
**Using Calculator (No)**

**University of Palestine**  
  
**Midterm Exam**  
**2010-2011**  
**Total Grade:**


**Instructor Name:** \_\_\_\_\_  
**Student No.:** \_\_\_\_\_  
**Student Name:** \_\_\_\_\_  
**College Name:** \_\_\_\_\_  
**Dep. / Specialist:** \_\_\_\_\_  
**Using Dictionary (No)**

Q1 )

- a) A debt of \$1000 is due on June 15, 1994. after that date the borrower is required to pay 10% interest. If the debt is settled on January 10, 1995 what must be repaid?

- b) Find the bank discount and the proceeds if \$450 is discounted for 30 days at 10.5%

**Course No:**  
**Course Title:** finance mathematics  
**Date:** 11/11/2010  
**No. of Questions:**(4)  
**Time:** one hour  
**Using Calculator (No)**

**University of Palestine**  
  
**Midterm Exam**  
**2010-2011**  
**Total Grade:**

**Instructor Name:** \_\_\_\_\_  
**Student No.:** \_\_\_\_\_  
**Student Name:** \_\_\_\_\_  
**College Name:** \_\_\_\_\_  
**Dep. / Specialist:** \_\_\_\_\_  
**Using Dictionary (No)**

---

Q2)a woman borrows \$3000 at 16% on August 15, she pays \$600 on September 15, \$800 on October 15, \$600 on December 15, if she makes a final settlement on February 15 of the following year . how much will she have to pay by

- a) merchants rule
- b) united state rule

**Course No:**  
**Course Title:** finance mathematics  
**Date:** 11/11/2010  
**No. of Questions:**(4)  
**Time:** one hour  
**Using Calculator (No)**

**University of Palestine**




**Midterm Exam**  
**2010-2011**  
**Total Grade:**

**Instructor Name:** \_\_\_\_\_  
**Student No.:** \_\_\_\_\_  
**Student Name:** \_\_\_\_\_  
**College Name:** \_\_\_\_\_  
**Dep. / Specialist:** \_\_\_\_\_  
**Using Dictionary (No)**

---

Q3) For a sum money to double itself in 10 years, what must be the rate of interest converted annually.

Course No:  
Course Title: finance mathematics  
Date: 11/11/2010  
No. of Questions:(4)  
Time: one hour  
Using Calculator (No)

University of Palestine  
  
Midterm Exam  
2010-2011  
Total Grade:

Instructor Name: \_\_\_\_\_  
Student No.: \_\_\_\_\_  
Student Name: \_\_\_\_\_  
College Name: \_\_\_\_\_  
Dep. / Specialist: \_\_\_\_\_  
Using Dictionary (No)

---

**Q4)** A person owes \$20000 due in 3 years with interest at 10% compounded quarterly, and \$10000 due in 5 years with interest at 8%. If money is worth 9% what single payment 6 years hence will be equivalent to the original obligations?.

#### Important Formulas

$$S = P ( 1 + r . t ) ,$$

$$I = P . r . t ,$$

$$P = S(1 - d . t)$$

$$S = P ( 1 + i )^n$$