1) To what extent is it important for financial managers to understand the concept of time value of money? Why? Please explain your reasoning in two to three paragraphs.

Brealey, R.A., Myers, S.C., & Allen, F. (2005). Principles of corporate finance, 8th Edition. The McGraw−Hill. Retrieved February, 2012, from http://jcooney.ba.ttu.edu/fin3322/Brealey%20Files/Appendix%20A%20-%20Present%20Value%20Tables.pdf

2) Calculate the future value of the following:

a. $104,298 if invested for five years at a 7% interest rate

b. $119,112 if invested for three years at a 4% interest rate

c. $211,124 if invested for seven years at an 2% interest rate

d. $699,129 if invested for ten years with a 0.9% interest rate

Please use Table 2 [http://jcooney.ba.ttu.edu/fin3322/Brealey%20Files/Appendix%20A%20-%20Present%20Value%20Tables.pdf]

3) Calculate the present value of the following:

a. $752,126 to be received three years from now with a 4% Interest rate

b. $328,231 to be received five years from now with a 5% interest rate

c. $891,199 to received two years from now with a 12% interest rate

d. $387,111 to be received eight years from now with a 1% interest rate.

Please use Table 1 [http://jcooney.ba.ttu.edu/fin3322/Brealey%20Files/Appendix%20A%20-%20Present%20Value%20Tables.pdf]

4) Suppose you are to receive a stream of annual payments (also called an "annuity") of $493,723 every year for three years starting this year. The interest rate is 4%. What is the present value of these three payments?

Please use Table 3 [http://jcooney.ba.ttu.edu/fin3322/Brealey%20Files/Appendix%20A%20-%20Present%20Value%20Tables.pdf]

6) Suppose you are to receive a payment of $392,201 every year for three years. You are depositing these payments in a bank account that pays 2% interest. Given these three payments and this interest rate, how much will be in your bank account in three years?

If you do not know how to use calculator, please use Table [http://www.principlesofaccounting.com/ART/fv.pv.tables/fvofordinaryannuity.htm]