

Assignment 3 to 3.2.3.3

For a machine the following data are given:

$CI_0 := 140000$ Initial investment

$R_n := 40000$ Residual value at the end of useful life

$n := 7$ Useful life in years

$i := 0.1$ Imputed interest rate

$CI(t) := CI_0 - \frac{CI_0 - R_n}{n} \cdot t$ Capital invested after t years

Which are the imputed interest charges per year according to the residual value method and according to the average method?