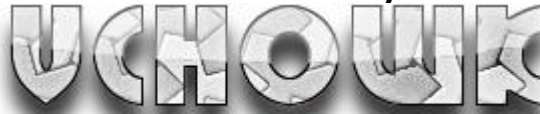


MTH302 Assignment No. 1 Idea Solution by



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Question No. 1

Basic Salary = 16,000

House Rent Allowance = $16,000 \times .45 = 7200$

Conveyance Allowance = $16,000 \times .10 = 1600$

Utilities Allowance = $16,000 \times .10 = 1600$

Total Allowances = $7200 + 1600 + 1600 = 10,400$

Provident Fund = $16,000 \times 1/11 = 1455$

Gratuity Fund = $16,000 \times 1/11 = 1455$

Earned Leave = $(26,400 \times 12) \times \{(24/(22 \times 12))\} = 28,800$

Casual Leave = $(26,400 \times 12) \times \{(24/(22 \times 12))\} = 14,400$

Misc. Social Charges = $16,000 \times .065 = 1040$

Gross Salary = $16,000 + 10,400 + 1455 + 1455 + 28,800 + 14,400 + 1040 = 73,550$

Question No. 2

Discount Factor = $(1 - 1/(1+i)^n)/i$

Discount Factor = $(1 - 1/(1+.05)^{20})/.05$

Discount Factor = 12.4622

Discounted Value = $20,000 \times 12.4622 = 249,244$

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