

11.

A perpetuity-immediate pays 100 per year. Immediately after the fifth payment, the perpetuity is exchanged for a 25-year annuity-immediate that will pay X at the end of the first year. Each subsequent annual payment will be 8% greater than the preceding payment. The annual effective rate of interest is 8%.

Calculate X .

- (A) 54
- (B) 64
- (C) 74
- (D) 84
- (E) 94