

20.

David can receive one of the following two payment streams:

- (i) 100 at time 0, 200 at time n , and 300 at time $2n$
- (ii) 600 at time 10

At an annual effective interest rate of i , the present values of the two streams are equal.

Given $v^n = 0.76$, determine i .

- (A) 3.5%
- (B) 4.0%
- (C) 4.5%
- (D) 5.0%
- (E) 5.5%