58. What would be the present value of an $8.50 perpetual annuity discounted at 5%? 
$170

\[
\frac{8.50}{.05} = 170
\]

59. On a timeline, the present value is always _______________ the future value.

Answer: before or left of

60. You and your partner have been knocking heads the last five years so you want to sell your portion of the business to her. She has offered you two choices: 1) $6000 a month for the next 3 years or 2) $140,000 today. Which offer would you choose? Use an annual discount rate of 24%.

Solution: $6,000 per month for 3 years, PV = $152,933.05

61. When you retire, you want to receive an annuity of $800,000 (you are planning on having fun during your retirement years) at the end of each year for 10 years. The interest rate is 8 percent. How much must you have saved when you retire? $5,368,060

62. You have $3,000,000 in your retirement plan today. Your investments are expected to return 12% annually. You want to receive an annuity for 20 years. How much will you receive each year if you want the funds depleted at the end of 20 years? $401,636.34