

Lesson: Foundations of Engineering Economy

Objectives:

1. Define interest rate and rate of return.
2. Explain economic equivalence.
3. Explain the difference between compound and simple interest.
4. Introduce standard Engineering Economy terminology.
5. Diagram cash flows.
6. Identify areas in which economic decisions can present questionable ethics.

Assignment:

1. Study pages 3-31.

Homework:

- 1.4, 1.5, 1.9, 1.11, 1.15, 1.19, 1.23, 1.26, 1.39, 1.40 (pp. 31-34)