

**TOPIC**

Economics – Section VI – Question 10

**QUESTION**

I invested \$20,000 in the Guardian Angel mutual fund. At the end of three years, I got a return of \$18,000, and at the end of six years, I got a return of \$12,000. The rate of return I receive on the investment most nearly is

- (A) 7.5%
- (B) 8.5%
- (C) 9.5%
- (D) 10.5%

**HINT**

The rate of return is defined as the interest rate where  $PW$  of cost =  $PW$  of benefits

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