

TOPIC

Economics – Section VI – Question 8

QUESTION

Constructing a roadway costs \$700,000 per lane mile. The estimated life is 15 years. If additional money were spent on extra annual maintenance, the life of the roadway could be extended to 25 years. At a 10% interest rate, an appropriate annual amount that should be spent on annual maintenance to extend the life of the roadway most nearly is

- (A) \$7,910
- (B) \$14,910
- (C) \$21,910
- (D) \$28,910

CONTRIBUTOR

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