

ERRATA for
Electrical and Computer Engineering Practice Problems
for the PE Exam—CD-ROM

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AM Section for all Disciplines

Solution for Question 1: The installed cost {J} of the computing system and the yearly maintenance cost {K} are randomly varied at run-time. The solution here is provided in terms of those two variables.

The present worth can be found from:

$$PW = J \left[1 + (P F)_2^{10\%} \right] + (J - 1) \left[(P A)_4^{10\%} \right] - K \left[(P A)_2^{10\%} \right]$$

where,

$$\left[1 + (P F)_2^{10\%} \right] = 1 + 0.82645 = 1.82645$$

$$(P A)_4^{10\%} = 3.1699$$

$$(P A)_2^{10\%} = 1.73554$$

Therefore, substituting J = \$45,000 and K = \$22,000, as in this example,

$$PW = 45,000 \times 1.82645 + 44,000 \times 3.1699 - 22,000 \times 1.73554 = \$183,484$$