



Source: <https://www3.epa.gov/recyclecity/factory.htm>

ACME Widget Manufacturing Company has just constructed a new assembly line that is expected to operate for the next 15 years.

Widget revenues are expected to be \$10M in the first year of operation and to rise by \$1M per year for 4 more years after that. Revenues will then level off for 5 years before falling at a rate of 10% per year through Year 15.

What is the **equivalent annual worth** of the revenues over the 15-year life of the assembly line if the interest rate is 12% per year?