

to sell such bonds at 92.1, a difference that the writer does not believe any bond broker would make in a tender for the two kinds of bond at same rate of interest.

Some cities will point with pride to their surplus on account of the rate of interest they have been able to get for the past few years being greater than the calculated rate

when determining the levy for sinking fund, but this fact does not alter general conditions that usually the rate you receive is less than the interest you have to pay. The most important reason why rural municipalities should adopt the equal payment plan is their lack of facilities and knowledge to properly handle a sinking fund.

Diagram for Computing Amount of Equal Annual Payments to Liquidate a Debt with Various Number of Payments and at Various Rates of Interest

