16. John wins \$1,000,000 in a lottery and will be paid 20 equal annual installments of \$50,000 with the first payment due today. A bank offers to exchange John's winnings for a perpetuity of \$*X* per month with the first payment due today. Find the value closest to \$*X* assuming a 10% effective rate of interest.

(A) \$3,300

(B) \$3,360

(C) \$3,550

(D) \$3,700

(E) \$3,730

$$50000\,\ddot{a}_{\overline{20}|.10} = \$X\,\ddot{a}_{\overline{\infty}|\frac{i^{(12)}}{12}}$$

$$= \frac{\$X}{\frac{d^{(12)}}{12}}$$

$$X = 3704$$