

## QUESTION 1

Year	Revenue
2010	100
2011	110
2012	120
2013	130
2014	140
2015	150
2016	160
2017	170
2018	180
2019	190
2020	200

Revenue is expected to grow at a constant rate of 10% per year from 2021 to 2030.

The discount rate is 10%.

Calculate the present value of the revenue stream from 2010 to 2030.

## QUESTION 2

A company is considering an investment in a new project. The project has an initial cost of \$100,000 and is expected to generate cash flows of \$30,000 per year for 5 years. The discount rate is 10%.

Calculate the NPV of the project.

Should the company invest in the project? Justify your answer.

What is the internal rate of return (IRR) of the project?

## QUESTION 3

A company is considering an investment in a new project. The project has an initial cost of \$100,000 and is expected to generate cash flows of \$30,000 per year for 5 years. The discount rate is 10%.

Calculate the NPV of the project.

Should the company invest in the project? Justify your answer.

What is the internal rate of return (IRR) of the project?

## QUESTION 4

A company is considering an investment in a new project. The project has an initial cost of \$100,000 and is expected to generate cash flows of \$30,000 per year for 5 years. The discount rate is 10%.

Calculate the NPV of the project.

## QUESTION 5

A company is considering an investment in a new project. The project has an initial cost of \$100,000 and is expected to generate cash flows of \$30,000 per year for 5 years. The discount rate is 10%.

Calculate the NPV of the project.

Should the company invest in the project? Justify your answer.

What is the internal rate of return (IRR) of the project?

Calculate the NPV of the project.

Should the company invest in the project? Justify your answer.

What is the internal rate of return (IRR) of the project?

Calculate the NPV of the project.

Should the company invest in the project? Justify your answer.

What is the internal rate of return (IRR) of the project?

Calculate the NPV of the project.

Should the company invest in the project? Justify your answer.

What is the internal rate of return (IRR) of the project?

Calculate the NPV of the project.

Should the company invest in the project? Justify your answer.