

## QUESTION

1. A company is considering a new investment project. The project has a life of 5 years and requires an initial investment of \$100,000. The project is expected to generate cash flows of \$25,000 per year for the first 3 years and \$30,000 per year for the next 2 years. The company's cost of capital is 10%. Calculate the NPV of the project.

2. A company is considering a new investment project. The project has a life of 5 years and requires an initial investment of \$100,000. The project is expected to generate cash flows of \$25,000 per year for the first 3 years and \$30,000 per year for the next 2 years. The company's cost of capital is 10%. Calculate the IRR of the project.

3. A company is considering a new investment project. The project has a life of 5 years and requires an initial investment of \$100,000. The project is expected to generate cash flows of \$25,000 per year for the first 3 years and \$30,000 per year for the next 2 years. The company's cost of capital is 10%. Calculate the payback period of the project.

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