

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.

4. 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 profitability index of the project.

5. 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 net present value of the project.

6. 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 internal rate of return of the project.