		Tom Anagha Patil, VCET
Space for Marks	Question No.	NET PRESENT VALUE
	0	Assume the following cash flows for 2 projects
1		1200
-	1 1	Year Project S (Rs) Project L (Po)
	1 . 5 . 1	1000 - 1000
		.1 .500 100
	1121-1	2 400 300
		3 300 406
4		4 10000 - 1000000
1. 182	4	Assume that the cash flows are occaring at
J 8- 1		the end of each year. Find out the NPY for
1		these projects if the cost of capital is lox
Lord 4	. 'L' E	for both the projects.
	->-	Marine of Sale of Walls there is a balance
31	1000	CHARLES VIII STILL E TURBUR 2
- 1	Troject-S	110 16/5- 11 2 31 3 . A
. r	, F V9.	-1000 500 400 300 100 in the
1.00	] 3°C ·	ve indicates ind
	Project L	0 10). 1 2 3
<u>v - • · · · · · · · · · · · · · · · · · ·</u>	. 5	-(000, 600, B00, 7400, 600)
	Vyles to	
	\$ . A	Consider project S',-
2	step1:-	Find the present value of each carb flow including both inflow & outflows discounted at the projects cost of capital. Present future value (140.) = 500 = 500 = 454.55  RY2 = 400  RY2 = 400  RY2 = 400
		both intlow & outrows speaking and
5 Tak(0.11	vice ,	cost of capital. Received = FVI = 500 = 500 = 454-55
	)	(1ti) 1 (1to:1)
( )	AR ti	17 = 500 (1th) (1+0.1)
		F/2 = 400  10  0/, = 0
		1 10
44.		FY4 = 100 FY2 400 400 330.58
		Similarly PV2 = FV2 400 400 330.58
177.4		$\frac{\text{PV}_{3} + \text{FV}_{3}}{(1+i)^{\frac{1}{3}}} = \frac{300}{(1\cdot1)^{3}} = 225.39$
		TY3 - (1·1)3
	(14.1)	1 EV4 100 68.3
	-	14 = F44 100 68.3 (1+1) <sup>n4</sup> (1-1) <sup>4</sup>
		Sum these discounted cash flows to find Net
	Step2!	Sura These critical
A CARLO		Present Van 1 1/2 + 1/2 + 1/4
		NIV= PV0 + PV1+ PV2+ PV3 1 14 225.39 + 68.3
		1000   for project S.
VEST CONTRACTOR	1	NIV = 878.82   for project S.

Consider Project Li-(14) = (1+1) = (1+01) = 100 = 90 909 PNO = ~ (000  $PV_2 = \frac{FV_2}{(1+i)^{n_2}} = \frac{300}{(1-i)^2} = \frac{300}{1\cdot 2i} = 247.933$ FV1 = 100 FY2= 300 (14) my = 400 - 400 - 300.5207 FY3= 400 FV9 = 600 PY4 = FV4 = 600 = 600 = 409.86 MPV = PYo+ PV, + PY2+ PV3+ PV4 = -1000 + 90.901 +247.933 + 300.5259 + 409.836 1.111 = RS 49.19 for project L. step3: - If the HPV is positive, the project should be accepted, while if the NPV is negative, it should be rejected. This is because a positive Nev indicates that the project is profitable while a negative HIV indicates that it is not profitable. Also, if the NIV is zero the project does not generate any profit or loss. If there are two projects and only one one of them can be selected be they are mutually exclusive then the one with Higher NPV should be chasen. industification specified such conditions both tresposents here are profitable) So here if condu specified at selecting only one project, project & will be selected as it has nigher NIV than L. 85-065 = 5(1.1) = 5(10.1) = 50.1 Charling PERSON C'MB. Anagha Pahil, VICET E 88 F. HILL & WILLIAM & 1813 with the it stements with the property of the HOVE PURTEUNITION TO THE TOTAL 

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		- Mr. Anagha Pahi, VCET
Space for Marks	Question No.	· M ·
18200	000	Swanson Industries has four potential projects
•	(4-)	all with the initial east of 2,00,000. The
May-17	0000	capital budget for the year will only
	530	allow Swanson industries to accept one of
	EVIL.	the four projects. Given the discount rates
		and the future cash Hows of each project,
		which project should they accept using Nev mta
Cash	flows	Project A Project B Project C Project D
- AXL	6 4	500000 600000 1000000 300000
Second		50,000 600000 800000 500000
Third		100 t = 200 t + 1
		50000 60000 400000 900000
	A. C.	50000
		22/1 15/1/2 22/1
1. DISCOUR		
		1) for project A   i = 6/1 = 100 = 0.06
00 Ect,	111 -	
	1	500000 471,698-113
	- Ek"	
		(1+i) 1- (1:06)2 1:1236.
		PY3 = FY300 1500000 500000 419,815-281
152-101E	1 3	PJal = TVF 500000 2 500000 396 825397
	.00	PA = TY for an 500000 1 500000 = 396,825397
- 120	.00	Prize TYFE 500000 = 500000 = 396,825397 (1+1) 14 (1-06) 1-26 1 (14) 15 (1-06) 5 1-26 1 (1+1) 15 (1-06) 5 1-3387
- <del>100.</del>	.00	Pri = TYF 500000 = 500000 = 396,825397 (1+1) 14 (1-06) 1-26 1-26 1 (1+1) 15 (1-06) 5 1-3387 (1+1) 15 (1-06) 5 1-3387 NOVE PYO + PY1 + PY2 + PY3 + PY4 + PY5
	.00	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$
1997 50 1998 50 1998	-00	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$
1997 50 1998 50 1998	-00	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$
50 <del>100,000</del> 50 <del>100,000</del> <del>100,000</del> <del>100,000</del> <del>100,000</del> <del>100,000</del> <del>100,000</del> <del>100,000</del> <del>100,000</del> <del>100,000</del>	-00	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$
50 <del>100,000</del> 50 <del>100,000</del> <del>100,000</del> <del>100,000</del> <del>100,000</del> <del>100,000</del> <del>100,000</del> <del>100,000</del> <del>100,000</del> <del>100,000</del>	6 V 1 - 6	PULL = TYF 500000 = 500000 = 396,825397  (1+1) Mr (1-06) F 1.26  (1+1) Mr (1-06) F 1.3387  (1+1) Mr (1-06) F 1.3387  (1+1) Mr (1-06) F 1.3387  NEVE PYO + PY 1 + PY 2 + PY 3 + PY 4 + PY 5  NEVE = - 200000 + 471678.113 + 444,998.22 + 417;815.281 + 396,925.397 + 373,692.078  NEVE = F 1,478;213.81
50 <del>100,000</del> 50 <del>100,000</del> <del>100,000</del> <del>100,000</del> <del>100,000</del> <del>100,000</del> <del>100,000</del> <del>100,000</del> <del>100,000</del> <del>100,000</del>	-00	PNA = TY4 500000 = 500000 = 396,825397  (1+1) <sup>M4</sup> (1-06) <sup>4</sup> 1-26  (1+1) <sup>M5</sup> (1-06) <sup>5</sup> 1-3387  NIVI = PYO+ PY1+ PY2+ PY3 + PY4+ PY5  NIVI = PYO+ PY1+ PY2+ PY3+ PY4+ PY5  A19;815-281+396,925-397+ 373,692.078  NNV = F1,478;213.81  PNA = -2,00000 + 1=97:=10.09
50 <del>100,000</del> 50 <del>100,000</del> <del>100,000</del> <del>100,000</del> <del>100,000</del> <del>100,000</del> <del>100,000</del> <del>100,000</del> <del>100,000</del> <del>100,000</del>	6 V 1 - 6	PNA = TYA 500000 = 500000 = 396,825397  PNA = (1+1)M4
52) 50 57 <del>7</del> 93	6 V 1 - 6	PNA = TVF 500000 = 500000 396,825397  (1+1) 14 (1-06) = 1-26  (1+1) 15 (1-06) = 1-338;  (1+1) 15 (1-06) = 1-338;  NOVE PVOTE PV1 + PV2 + PV3 + PV4 + PV5  A11;815-281 + 336,925-397 + 373,692.078  NOVE = T1,478;213-8]  PV0 = -2,00000
52) 50 57 <del>7</del> 93	6 V 1 - 6	PNA = TVF 500000 = 500000 396,825397  (1+1) 1/4 (1-06) = 1-26  (1+1) 1/4 (1-06) = 1-26  (1+1) 1/4 (1-06) = 1-3387  (1+1) 1/4 (1-06) = 1-3387  NOVE PVOTE PVOTE PV1 + PV2 + PV3 + PV4 + PV5  (1+1) 1/4 (1-06) = 1-3387  NOVE = -200000 + 471678.113 + 444,998.22 + 273,692.076  (1+1) 1/4 1/4 1/4 1/4 1/4 1/4 1/4 1/4 1/4 1/4
50 <del>100,</del> 50 <del>100, 100, 100, 100, 100, 100, 100, 10</del>		$\begin{array}{cccccccccccccccccccccccccccccccccccc$
50 <del>100,</del> 50 <del>100, 100, 100, 100, 100, 100, 100, 10</del>		$\begin{array}{cccccccccccccccccccccccccccccccccccc$
101.637 101		PNA = TVF 500000 = 500000 396,825397  (1+1) 14 (1-06) 1-26  (1+1) 15 (1-06) 1-26  (1+1) 15 (1-06) 1-338  NOVE PVOTE PVOT

Space	CI PAPE	
for Marks	Question No.	- Mrs. Anagha ldil, VCET
Mire a	11.	PV4 = FV4 600000 60000 - 425,230.33
3 L	1 10 2 2 3	PY5 = FV5 600000 = 600000 = 390,117.035
	the paralle	NPV2 PY. + PY, + PY2 + PY2 + PY4+PV5
	(6)	NPV=1 72,134, 177.05
Pilmy hay	<u> (3)</u>	PVo = -200000 , i= 15% = 0-15
The state	v 4.	PV TVI NOUDOUD LOUDOUD
ANOTHER .	6	(1+1)m, = (1+0.15)1= 1.15 = 869,565.217
10000 B	(*	PY2, FV2 800000 80000 = 604,914.934
nagani Maran		PY202 FY3 100 600000 6000000 394,736.842
2 1 1	· · · · · · · · · · · · · · · · · · ·	(1+i) M4 400000 - 228,702.115
A Tales		200
	11 8 2 3 1	(1+i) (1.15) = 20,000 = 99,453.0085
		NPY = PV0 + PV, + PY2+ PY3 + PY4+ PY5
		NN= 7 1,997,37212
	<b>9</b>	For project D.
18 4 213 ( )		Plo = -200000 = 22/ = 0.22
		PY = PY, 300000 30000 = 245901.639
	* * ·	
		(1.22) 3 1.488
		Alexander of the state of the s
	E+ 17 +	(Hi)M3 = (1.22) 3 - 1.815 - 385,674.93)
4.c c. No.	124 12	PLE STEVA OF GRAND'S AUDOOD
6,1,2,1,0	1. 1	(1+1) n4 1= (1-22) 4 = 2.215 = 106,320.512
Action.		(145) - FV5 1100000 - 1100000 - 407,407.40
		1112 PNO + PV, + PY2 + PV3 + PY44 PY5
		Nev= 7 1581,326:02
		11110 100000 114 114
THE PARTY OF THE P		Since MIV of Project B is greatest in all
		the projects, Project B should be selected.
		The state of the s
6 200 Car 1	erc u	

	entent.	- Mr. Anagha Patil VCET
Space for Marks	Question No.	(10)
May-	190	Project that costs fr. 2,40,0001 - & would yield after-tax cash frows as follows.  Assume cost of capital is 10%.
		Year (ash flow (fs)  1
	<b>→</b>	(omment on Frasibility of project based on NPV: initial investment (ID)=B12,40,000 distount rate = 10% 0.1
	(1	$\frac{2A^{1} \mu 0}{15 \mu 0} \frac{15 \mu 0}{15 \mu 0} 15 \mu$
	-	$\frac{11/2 - F1/2}{(1+i)^{1/2}} = \frac{75000}{(1+i)^{1/2}} = \frac{75000}{(1+i)^{1/2}} = \frac{61,983 \cdot 4.7}{(1-i)^{2}}$ $\frac{80,000}{(1+i)^{1/3}} = \frac{80000}{(1-i)^{3}} = \frac{60,105 \cdot 184}{(1-i)^{3}}$
		$\frac{(1+1)^{3}}{(1+1)^{4}} = \frac{1,00,000}{(1+1)^{4}} = \frac{100000}{(1+1)^{4}} = \frac{68,301}{3455}$
		NIV = NHV, + 142 + 143 + 144 $-240000 + 22,727 + 61983.47 +$ $-60,105.184 + 68,301.3455$ $NIV = 4 - 26,882.73$