ENG 106 Homework #8 (due 8 Mar)

Replacement Analysis

12.6  Assume all values are in constant $ and MARR’ = 12%. (partial answer: for (b): AEW = -$48,034 (or -$13,034 if you included the $35k savings as an annual benefit of the challenger rather than as an annual cost of the defender)

12.11 Assume all values are in constant $ and MARR’ = 12%.

(partial answer: AEC if kept for 3 years = $16,507)

ENG 106 Homework #9 (due 15 Mar)

Sources and Costs of Capital

11.33 (approx. answer: about 19%)

11.34 (approx. answer: for Debt to Equity, Cd/Ce, **of 40%, k**  = about 19%)

**Also note that Debt-to-Equity Ratio is different than Debt Ratio.**

Uncertainty/Sensitivity Analysis

11.5a The table has initial costs at EOY 0, annual revenues, and salvage values at EOY 5. (partial answer: PW(5%) for 2 floors = about $832k)