

Suppose you were hired as the CFO for Bebida Sol. Would you recommend Antonio to take the project? Can you work out the **Project Cash Flows** using the information estimated by the consultant?

Consider the following questions, and try to conduct quantitative analysis with Excel (see an example template uploaded to our course website).

1. What are the **relevant cash flows** for this project? In your analysis, how will you treat:
 - a. the consultant's market study cost?
 - b. the potential rental value of the unoccupied annex?
 - c. the interest charges?
 - d. the erosion of existing soda sales?
2. Calculate the project's **NPV, IRR, payback period, and profitability index**.

Everyone should finish analyzing the above questions before the beginning of class on **Dec 9**. You can discuss with your teammates. We will go through the question together during the class. Submit your case answer by group to the TA by noon on Dec 9.