##### Problem 5

a.

b.

c.

##### Problem 7

a.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Alternative 1** | **Alternative 2** | **Alternative 3** |
| **EOY** | **NCF1** | **NCF2** | **NCF3** |
| 0 | -$20,000 | -$40,000 | -$70,000 |
| 1 | $8,000 | $20,000 | $30,000 |
| 2 | $8,000 | $20,000 | $30,000 |
| 3 | $8,000 | $20,000 | $30,000 |
| 4 | $8,000 | -$20,000 | $30,000 |
| 5 | $8,000 | $20,000 | $30,000 |
| 6 | $8,000 | $20,000 | -$38,000 |
| 7 | $8,000 | $20,000 | $30,000 |
| 8 | $8,000 | -$20,000 | $30,000 |
| 9 | $8,000 | $20,000 | $30,000 |
| 10 | $8,000 | $20,000 | $30,000 |
| 11 | $8,000 | $20,000 | $30,000 |
| 12 | $28,000 | $20,000 | $32,000 |

b.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Alternative 1** | **Alternative 2** | **Alternative 3** |
| **EOY** | **NCF1** | **NCF2** | **NCF3** |
| 0 | -$20,000 | -$40,000 | -$70,000 |
| 1 | $8,000 | $20,000 | $30,000 |
| 2 | $8,000 | $20,000 | $30,000 |
| 3 | $28,000 | $30,000 | $50,000 |

c.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Alternative 1** | **Alternative 2** | **Alternative 3** |
| **EOY** | **NCF1** | **NCF2** | **NCF3** |
| 0 | -$20,000 | -$40,000 | -$70,000 |
| 1 | $8,000 | $20,000 | $30,000 |
| 2 | $8,000 | $20,000 | $30,000 |
| 3 | $8,000 | $20,000 | $30,000 |
| 4 | $8,000 | -$20,000 | $30,000 |
| 5 | $8,000 | $20,000 | $30,000 |
| 6 | $28,000 | $40,000 | $32,000 |

d.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Alternative 1** | **Alternative 2** | **Alternative 3** |
| **EOY** | **NCF1** | **NCF2** | **NCF3** |
| 0 | -$20,000 | -$40,000 | -$70,000 |
| 1 | $8,000 | $20,000 | $30,000 |
| 2 | $18,000 | $40,000 | $60,000 |

e.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Alternative 1** | **Alternative 2** | **Alternative 3** |
| **EOY** | **NCF1** | **NCF2** | **NCF3** |
| 0 | -$20,000 | -$40,000 | -$70,000 |
| 1 | $8,000 | $20,000 | $30,000 |
| 2 | $8,000 | $20,000 | $30,000 |
| 3 | $8,000 | $20,000 | $30,000 |
| 4 | $8,000 | -$20,000 | $30,000 |
| 5 | $18,000 | $50,000 | $35,000 |

##### Problem 10

a.

7 years

b.

Future Value.

c.

Annual Value

d.

Prefer X.

##### Problem 17

##### Problem 23

##### Problem 33

According to page 214 of the text book:

1. A (0%)
2. E (1%)
3. F (1%)
4. B (0%)
5. B (0%)
6. E (2.4%)
7. A (0%)
8. E (2.0%)
9. A (0%)