Decision Based on NPV - Python Exercise

# Question:

Based on the net present values (NPVs) of Project 1 and Project 2, choose the project with the higher NPV.

# Question Explanation (20 words):

We compare the calculated NPVs for Project 1 and Project 2 and select the project with the greater NPV value.

# Answer (Code):

# Given NPVs from calculations  
npv\_project1 = 856973.10  
npv\_project2 = 906741.35  
  
# Decision based on higher NPV  
if npv\_project1 > npv\_project2:  
 decision = "Project 1"  
elif npv\_project2 > npv\_project1:  
 decision = "Project 2"  
else:  
 decision = "Neither"  
print("Chosen Project:", decision)

# Answer Explanation (20 words):

Project 2 is chosen because its NPV of 906,741.35 is higher than Project 1’s NPV of 856,973.10.

