

## **ECE 472F Quiz #1 Numerical Answers – Fall, 2015**

### **Question 1**

Alternative A is the better of the two alternatives; however, it is not a good investment.

### **Question 2**

- (a) 15.5%.
- (b) \$15 million.
- (c) Bonds: \$3 750 000; shares: 200 000.
- (d) 15.3%; same capital budget.

### **Question 3**

- (a) Paradise River: 96 000; Upper Salmon: 24 000 (MW-hr).
- (b) Paradise River: 100 000; Upper Salmon: 40 000; Import: 40 000 (MW-hr).
- (c) \$240.00; will change at production level of 185 000 MW-hr.