CHE374 - Quiz &G (Saturday 19th October 2024)

Six mutually exclusive projects A, B, C, D, E, and F, are being considered. The projects have been ordered by first costs. The IRR Comparison tables are presented below (for example, the 11.6% of row 3, column 3 represents the IRR resulting from the cash-flows of taking project B cash-flows and subtracting project A cash-flows (i.e. B-A)).

Project	Null	A			В	CPic	C			D		E	
A	13	3.7%				>>MI	ARR	CPI	ck	Bove	ex A)		
В	13	3.3%	(1	1.6%)		شر					ove	
С	9	.7%		0.0%		-13.9	%)	<i>→</i> .	< M	ARR	CPick	< B o	ver D
D	10	.4%		5 4%		2.1	%)	1	5 2%				
E	11	.9%		9.8%		9.2	%)_	1	8.7%		22.1%		
F	12	2.2%	1	0.9%		10.7	%)	1	7.6%		18.7%		15.2%
						7		``<	MA	KR (<u> Prak</u>	Bo	ner C
\bigcirc A								a 2	M	ARR (CPICK	B	over C
В													
O C						TF	iere	fore	P	roject	t B	is H	ne B
O D										J			
○ E													
O F													

Which proje	ect should b	e chosen us	Ing a MARR	of 8% in the fo	A OVEY	CLUNA	WAKK = 8	1.
Project	Null	A		В	С	D	E	
Α		9.4%		>>MAR	r CPick B	over A)		
В		11.3%	28.6%		>> < MAR	R CPICK	Bover C)	
С		10.4%	15.2%	0.0%		1	B over D	
D		10.8%	15.2%	7.9%	15.2%			
E		11.1%	15.2%	10.4%	15.2%	15.2%		
F		10.4%	12.4%	7 9%	10.4%	7.9%	0.0%	
				4	MARR CP	ick E ov	er B)	
O A								
ОВ							< MARR	
O C							CPICKE ON	ier F)
O D				Ma aval	010 00	-31	in the R	
				Mere	fore pri	sject =	is the Bes	5 T
€ E								
○ F								