

RBE 595 — FAIR-AV
Assignment #1

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Problem 1

Use your favorite auto OEM as an example to compute the PCDM using its average ROI or last year's ROI.
(2pt)

Solution

I have chosen Honda as an example. The average ROI for Honda is 5.5% and the last year's ROI is 5.2%. The PCDM is the profit per customer driven mile. Since Honda makes a profit of \$3,000 per car sold