

Tutorial #:	10	Student Name:	James LaFontaine	Student ID:	1079860
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Only answers to **Part B questions** are to be submitted by 10:00 am on Monday of the tutorial week. Please note the following:

1. Only **handwritten** work on this hand-in sheet will be marked for reasonable effort. You can either write your answers on this hand-in sheet or write your answers on a piece of paper with your name and student ID written on the top of the page.
2. Only **one** submission per student will be marked. Please make sure that you upload only one file either as a scanned **PDF file** or as a **JPG/PNG picture file**. Other formats will not be accepted by the system.
3. Please fill out all the information before submission.

3. This statement doesn't mention the fact that PE firm closely scrutinises the board of the company and, in the case of portfolio companies, will not allow negative NPV investments. The PE firm have likely taken on a large amount of debt that they are obligated to pay off and thus bear a significant amount of financial risk.

4. Value of option in Year 5 = $\$578,738 - \$556,188$
= $\$22,550$
in Year 0 = $\frac{\$22,550}{1.15} = \$14,001.80$