You are a fan of Tesla's last electrical car and wish to invest in the company. Assume no arbitrage. The NPV of the stock should be

- negative
- zero
- positive

Correction: 0

Company AAA is making plans for a new project. The company's cost of capital is 6%. The NPV of the project is 100,000 euros, and the IRR is 2%. Should the company undertake the project?

- yes
- no
- I don't know

Correction: yes

Company BBB, as part of a project, needs to increase its inventory of goods, which is going to cost 5000 euros. These expenses are part of

- The capital expenditures
- The net working capital
- The depreciation tax shield

Correction : 2

You should not trust the NPV:

- When comparing projects with very different time horizons
- For a project that has a positive cash flow then negative cash flows
- For a project that has a negative cash flow then positive cash flows
- For a project that has alternating positive and negative cash flows.

Correction: 1