**Question 1 - DCF Valuation Fundamentals**

**True or False:** Discounted cash flow valuation is based upon the notion that the value of an asset is the present value of the expected cash flows on that asset, discounted at a rate that reflects the riskiness of those cash flows. Specify whether the following statements about discounted cash flow valuation are true or false, assuming that all variables are constant except for the variable discussed below:

1. As the discount rate increases, the value of an asset increases.
2. As the expected growth rate in cash flows increases, the value of an asset increases.
3. As the life of an asset is lengthened, the value of that asset increases.
4. As the uncertainty about the expected cash flows increases, the value of an asset increases.
5. An asset with an infinite life (i.e., it is expected to last forever) will have an infinite value.