

QUESTION 1
A company is considering a new investment project. The project requires an initial investment of \$100,000 and is expected to generate cash flows of \$30,000 per year for 5 years. The company's cost of capital is 10%. What is the Net Present Value (NPV) of the project?

A. \$10,000
B. \$20,000
C. \$30,000
D. \$40,000

QUESTION 2
A company is considering a new investment project. The project requires an initial investment of \$100,000 and is expected to generate cash flows of \$30,000 per year for 5 years. The company's cost of capital is 10%. What is the Internal Rate of Return (IRR) of the project?

A. 10%
B. 12%
C. 14%
D. 16%

QUESTION 3
A company is considering a new investment project. The project requires an initial investment of \$100,000 and is expected to generate cash flows of \$30,000 per year for 5 years. The company's cost of capital is 10%. What is the Payback Period of the project?

A. 2.5 years
B. 3.0 years
C. 3.5 years
D. 4.0 years

QUESTION 4
A company is considering a new investment project. The project requires an initial investment of \$100,000 and is expected to generate cash flows of \$30,000 per year for 5 years. The company's cost of capital is 10%. What is the Profitability Index (PI) of the project?

A. 1.1
B. 1.2
C. 1.3
D. 1.4

QUESTION 5
A company is considering a new investment project. The project requires an initial investment of \$100,000 and is expected to generate cash flows of \$30,000 per year for 5 years. The company's cost of capital is 10%. What is the Break-Even Point of the project?

A. 2.5 years
B. 3.0 years
C. 3.5 years
D. 4.0 years

QUESTION 6
A company is considering a new investment project. The project requires an initial investment of \$100,000 and is expected to generate cash flows of \$30,000 per year for 5 years. The company's cost of capital is 10%. What is the Sensitivity of the NPV to the cost of capital?

A. 0.1
B. 0.2
C. 0.3
D. 0.4

QUESTION 7
A company is considering a new investment project. The project requires an initial investment of \$100,000 and is expected to generate cash flows of \$30,000 per year for 5 years. The company's cost of capital is 10%. What is the Risk of the project?

A. Low
B. Medium
C. High
D. Very High

QUESTION 8
A company is considering a new investment project. The project requires an initial investment of \$100,000 and is expected to generate cash flows of \$30,000 per year for 5 years. The company's cost of capital is 10%. What is the Opportunity Cost of the project?

A. \$10,000
B. \$20,000
C. \$30,000
D. \$40,000

QUESTION 9
A company is considering a new investment project. The project requires an initial investment of \$100,000 and is expected to generate cash flows of \$30,000 per year for 5 years. The company's cost of capital is 10%. What is the Strategic Value of the project?

A. \$10,000
B. \$20,000
C. \$30,000
D. \$40,000

QUESTION 10
A company is considering a new investment project. The project requires an initial investment of \$100,000 and is expected to generate cash flows of \$30,000 per year for 5 years. The company's cost of capital is 10%. What is the Total Value of the project?

A. \$10,000
B. \$20,000
C. \$30,000
D. \$40,000

QUESTION 11
A company is considering a new investment project. The project requires an initial investment of \$100,000 and is expected to generate cash flows of \$30,000 per year for 5 years. The company's cost of capital is 10%. What is the Market Value of the project?

A. \$10,000
B. \$20,000
C. \$30,000
D. \$40,000

QUESTION 12
A company is considering a new investment project. The project requires an initial investment of \$100,000 and is expected to generate cash flows of \$30,000 per year for 5 years. The company's cost of capital is 10%. What is the Book Value of the project?

A. \$10,000
B. \$20,000
C. \$30,000
D. \$40,000

QUESTION 13
A company is considering a new investment project. The project requires an initial investment of \$100,000 and is expected to generate cash flows of \$30,000 per year for 5 years. The company's cost of capital is 10%. What is the Liquidation Value of the project?

A. \$10,000
B. \$20,000
C. \$30,000
D. \$40,000