**BUS 322 S22 T2 v.3**

**The expected Number of Answers**

**4/2/22**

**Problem 1:**

a) Which investment should be funded(based on the NPV): X or Y

b) What is the value of that investment:\_\_\_\_\_\_\_\_\_\_\_\_

**Problem 2:**

a) Maximax: Alternative:\_\_\_\_\_\_, Value of this alternative:\_\_\_\_\_\_\_\_\_

b) Maximin: Alternative:\_\_\_\_\_\_, Value of this alternative:\_\_\_\_\_\_\_\_\_\_

**Problem 3:**

a) ENM: Alternative:\_\_\_\_\_\_, Value of this alternative:\_\_\_\_\_\_\_\_\_

b) LaPlace: Alternative:\_\_\_\_\_\_, Value of this alternative:\_\_\_\_\_\_\_\_\_\_

**Problem 4.**

Change in the market share for store C (in %):\_\_\_\_\_\_\_\_\_\_\_\_\_

**Problem 5.**

a) Which course of action should be selected under the EMV criteria:-= (A)modifications to the existing product or (B)an investment in a new product

b) What is the value of the selected course of action:\_\_\_\_\_\_\_\_\_

**Problem 6.**

a) Break-even in units:\_\_\_\_\_\_\_\_

b) Break-even in revenue ($):\_\_\_\_\_\_\_\_\_\_\_

c) # of units needed to earn $79,345

**Problem 7.**

a) kX =\_\_\_\_\_\_\_\_

b) kY=\_\_\_\_\_\_\_\_

**Problem 8.**

a) Investment type:\_\_\_\_\_\_\_\_\_\_\_

b) Utility value of this investment:\_\_\_\_\_\_\_\_\_\_

**Problem 9.**

a) Strategy settled on:

Firm 1: Low price or High price

Firm 2: Low price or High price

b) Value of this strategy:

to Firm 1: \_\_\_\_\_\_\_\_

to Firm 2:\_\_\_\_\_\_\_\_\_

**Problem 10.**

a) Which project should be selected: A or B

b) What is the IRR of the selected project:\_\_\_\_\_\_\_\_\_\_\_\_