



Daffodil Institute of Information Technology (DIIT)

Third Year, Sixth Semester

BBA (Honors) in Tourism and Hospitality Management (THM)

Fundamentals of Finance

Chapter-5

INTRODUCTION TO CAPITAL BUDGETING (Math)

1. You are the financial analyst of CRABEXPO LTD. The director of capital budgeting has asked you to analyze two proposed capital investment. Project-EXPO-I and EXPO-II. Each project has a cost of BDT10.00.000 and the cost of capital for both project is 13% per cent.

The projects net expected cash inflows are as follows:-

Year	EXPO-1	EXPO-11
1	650000	325000
2	350000	325000
3	350000	325000
4	200000	325000

Requirement:

- (i) Calculate each projects Net present value (NPV), internal rate of Return (IRR), and Modified Internal Rate of Return (MIRR)
- (ii) Prepare the NPV Profiles of the said project.