Capital budgeting

1. Why are capital budgeting decisions so important to the success of a firm?
2. Describe how NPV profiles are constructed.
3. Which advantages does the MIRR more over the regular IRR in capital budgeting?
4. What are the basic conditions that can lead to conflicts between the NPV and IRR method?
5. Briefly discuss how the modified IRR (MIRR) is calculated. How it is defer with regular IRR.
6. Differentiate between NPV and IRR. Which method is best and why?
7. What do you mean by capital budgeting .Write down the basic steps to be followed in capital budgeting process?
8. Define NPV and IRR.What are the disadvantages of IRR?
9. Explain (with example) how timing, scale and reinvestment rate differences lead to conflicts between the NPV and IRR methods? (2013)
10. How is capital budgeting process related with security valuation process?
11. Which of the capital budgeting techniques is most suitable? Show your arguments.