Assignment 3

The due date for submitting this assignment has passed. As per our records you have not submitted the assignment.

1. Which of the following options does not consider time value of money?
   - Net Present Value
   - Benefit to cost ratio
   - Simple payback period
   - Internal rate of return
   - Benefit to cost ratio should be more than 1
   - Benefit to cost ratio should be less than the hurdle rate
   - Benefit to cost ratio should be the net present value
   - Benefit to cost ratio should be zero or more than 1

   1 point

2. Company X decides to invest in an energy saving project. Which of the following criteria/tenets should be satisfied by the project so that the company decides to implement it?
   - NPV of the project should be positive
   - Internal rate of return should be less than the hurdle rate
   - Benefit to cost ratio should be more than 1
   - Payback period of the project should be more than the acceptable payback period
   - Benefit to cost ratio should be less than the hurdle rate
   - Benefit to cost ratio should be positive
   - Benefit to cost ratio should be zero

   1 point

3. A nuclear plant of capacity 2,000 MW is installed in a small town. Capital cost of installation is Rs. 5000 per MW. Due to this plant, consumer save 150 units of grid electricity monthly, where average grid electricity price is 7.5 Rs. per unit.

   Calculate the simple payback period (in years) for the plant.

   1 point