Assignment 7

Due on 2020-11-14, 23:59:59 UTC

1. A company is evaluating several capital spending proposals. One of the proposals involves the purchase of new equipment costing $50,000. The equipment is expected to last five years and have a residual value of $5,000 at the end of its useful life. The company requires a payback period of 3 years or less. Determine whether the equipment should be purchased.

2. A company is considering the construction of a new manufacturing facility. The initial investment required is $2,000,000. The facility is expected to have a useful life of 10 years and a salvage value of $200,000. The company requires a payback period of 5 years or less. Determine whether the facility should be constructed.

3. A company is evaluating a new product line. The initial investment required is $1,500,000. The product line is expected to have a useful life of 8 years and a salvage value of $100,000. The company requires a payback period of 4 years or less. Determine whether the product line should be introduced.

4. A company is considering the purchase of a new computer system. The initial investment required is $150,000. The system is expected to have a useful life of 5 years and a salvage value of $20,000. The company requires a payback period of 3 years or less. Determine whether the system should be purchased.

5. A company is evaluating a new production line. The initial investment required is $3,000,000. The production line is expected to have a useful life of 12 years and a salvage value of $300,000. The company requires a payback period of 8 years or less. Determine whether the production line should be constructed.

6. A company is considering the purchase of a new machine. The initial investment required is $500,000. The machine is expected to have a useful life of 10 years and a salvage value of $50,000. The company requires a payback period of 6 years or less. Determine whether the machine should be purchased.

7. A company is evaluating a new advertising campaign. The initial investment required is $200,000. The campaign is expected to have a useful life of 2 years and a salvage value of $20,000. The company requires a payback period of 1 year or less. Determine whether the advertising campaign should be implemented.

8. A company is considering the purchase of a new building. The initial investment required is $1,500,000. The building is expected to have a useful life of 20 years and a salvage value of $300,000. The company requires a payback period of 10 years or less. Determine whether the building should be purchased.

9. A company is evaluating a new product line. The initial investment required is $1,200,000. The product line is expected to have a useful life of 15 years and a salvage value of $120,000. The company requires a payback period of 9 years or less. Determine whether the product line should be introduced.

10. A company is considering the purchase of a new machine. The initial investment required is $300,000. The machine is expected to have a useful life of 7 years and a salvage value of $30,000. The company requires a payback period of 4 years or less. Determine whether the machine should be purchased.

11. A company is evaluating a new production line. The initial investment required is $2,500,000. The production line is expected to have a useful life of 18 years and a salvage value of $250,000. The company requires a payback period of 12 years or less. Determine whether the production line should be constructed.

12. A company is considering the purchase of a new computer system. The initial investment required is $1,000,000. The system is expected to have a useful life of 15 years and a salvage value of $100,000. The company requires a payback period of 10 years or less. Determine whether the system should be purchased.

13. A company is evaluating a new advertising campaign. The initial investment required is $500,000. The campaign is expected to have a useful life of 5 years and a salvage value of $50,000. The company requires a payback period of 3 years or less. Determine whether the advertising campaign should be implemented.

14. A company is considering the purchase of a new building. The initial investment required is $2,000,000. The building is expected to have a useful life of 25 years and a salvage value of $200,000. The company requires a payback period of 15 years or less. Determine whether the building should be purchased.

15. A company is evaluating a new product line. The initial investment required is $1,800,000. The product line is expected to have a useful life of 10 years and a salvage value of $180,000. The company requires a payback period of 8 years or less. Determine whether the product line should be introduced.

16. A company is considering the purchase of a new machine. The initial investment required is $400,000. The machine is expected to have a useful life of 6 years and a salvage value of $40,000. The company requires a payback period of 4 years or less. Determine whether the machine should be purchased.

17. A company is evaluating a new production line. The initial investment required is $3,500,000. The production line is expected to have a useful life of 20 years and a salvage value of $350,000. The company requires a payback period of 15 years or less. Determine whether the production line should be constructed.

18. A company is considering the purchase of a new computer system. The initial investment required is $1,500,000. The system is expected to have a useful life of 12 years and a salvage value of $150,000. The company requires a payback period of 10 years or less. Determine whether the system should be purchased.

19. A company is evaluating a new advertising campaign. The initial investment required is $250,000. The campaign is expected to have a useful life of 4 years and a salvage value of $25,000. The company requires a payback period of 2 years or less. Determine whether the advertising campaign should be implemented.

20. A company is considering the purchase of a new building. The initial investment required is $2,500,000. The building is expected to have a useful life of 25 years and a salvage value of $250,000. The company requires a payback period of 15 years or less. Determine whether the building should be purchased.