

Question 1 - Page 2
Supermarket

(b)

Year	Cashflow	PVF 10%	NPV
0	-200,000	1	-200,000
1	20,000	0.9091	18,182
2	40,000	0.8264	33,056
3	60,000	0.7513	45,078
4	60,000	0.6830	40,980
5	60,000	0.6210	37,260

$$NPV = \text{Total Cash Flow} - \text{Initial} = 174,556 - 200,000$$

$$= -£25,444$$

Fudge 41

Year	Cashflow	PVF 10%	NPV
0	-200,000	1	-200,000
1	80,000	0.9091	72,729
2	60,000	0.8264	49,584
3	60,000	0.7513	45,078
4	40,000	0.6830	27,320
5	40,000	0.6210	24,840

$$NPV = 219,550 - 200,000$$

$$= £19,550$$

Centre 4

Year	Cashflow	PVF 10%	NPV
0	-200,000	1	-200,000
1	60,000	0.9091	54,546
2	60,000	0.8264	49,584
3	60,000	0.7513	45,078
4	60,000	0.6830	~~27,320~~ 40,980
5	60,000	0.6210	37,260

$$NPV = 227,448 - 200,000$$

$$= £27,448$$