IF YOU THINK THE BEST, YOU WILL NOT BE FAR WRONG

(INVESTMENT SELECTION CRITERIA - IRR)

MASCAFÉ13 is having a great success with their coffee pods, so they are thinking about building a new plant to grind and pack coffee. Investment data are:

Initial outlay	30.000€
CF1	21.187,50€
CF2	13.062,50€
CF 3	30.562,50€
Market interest rate	6%

Calculate IRR:

1º) Calculate IRR (fill in the formula and calculate)

$$IRR = \frac{\sum Cf_s}{Cf_0}\left(1 \Big/ \frac{\sum Cf_s \times t_s}{\sum Cf_s}\right) - 1$$

$$a = \frac{\sum Cf_s}{Cf_0} = \frac{\qquad + \qquad + \qquad}{} = _____$$

$$b = \left(1 \Big/ \frac{\sum Cf_s \times t_s}{\sum Cf_s}\right) = 1 \Big/ \frac{____ \times __ + ____ \times __ + ____ \times __}{+ \quad +}$$

$$b = _____$$

$$IRR = a^b - 1 = ____ - 1$$

$$IRR = _____$$

LIVEWORKSHEETS