

# CLIL LESSON

cenario

04

**economics**  
business administration



Erasmus+

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## ANALYSIS

Imagine you are the financial advisor for HyperManagement, Inc. Your company has 4 potential projects you could invest in for the next 5 years. However, your company can only fund one of the projects at this moment due to logistical reasons. Projects Alfa and Beta would require an initial investment of 300.000€, whereas projects Gamma and Delta would require an initial investment of 500.000€. In the following table you can see the projected Cash Flows and Discount rates for each of the projects.

Cash Flows	Project Alfa	Project Beta	Project Gamma	Project Delta
Year 1	50.000 €	80.000 €	100.000 €	100.000 €
Year 2	75.000 €	80.000 €	150.000 €	150.000 €
Year 3	100.000 €	80.000 €	150.000 €	150.000 €
Year 4	100.000 €	100.000 €	150.000 €	200.000 €
Year 5	100.000 €	100.000 €	250.000 €	200.000 €
Discount Rate	7%	10%	12%	15%

**QUESTION 1:** Choose the NPV for each of the projects from this list:

- |               |               |
|---------------|---------------|
| a. 31544,75 € | f. 38742,81 € |
| b. 19277,43 € | g. 26674,22 € |
| c. 11123,05 € | h. 30775,76 € |
| d. 28126,47 € | i. 47157,37 € |
| e. 48441,92 € | j. 28145,27 € |

**ANSWER:** .....

**QUESTION 2:** Which project should your company choose?

**ANSWER:** .....



TASK  
**2**

**ANALYSIS**

Imagine you are the financial advisor for HyperManagement, Inc. Your company has 4 potential projects on the table. Projects Epsilon and Iota would require an initial investment of 300.000€, whereas projects Kappa and Lambda would require an initial investment of 600.000€. In the following table you can see the projected Cash Flows for each of the projects.

Cash Flows	Project Epsilon	Project Iota	Project Kappa	Project Lambda
Year 1	50.000 €	75.000 €	150.000 €	100.000 €
Year 2	75.000 €	75.000 €	150.000 €	150.000 €
Year 3	75.000 €	125.000 €	150.000 €	150.000 €
Year 4	100.000 €	75.000 €	200.000 €	200.000 €
Year 5	100.000 €	75.000 €	200.000 €	225.000 €

**QUESTION 1:** According to these figures, choose the right IRR for each of the projects from the following list:

- |           |           |
|-----------|-----------|
| a. 12.05% | f. 11.69% |
| b. 11.47% | g. 9.32%  |
| c. 10.89% | h. 10.09% |
| d. 10.22% | i. 12.38% |
| e. 9.78%  | j. 12.79% |

**ANSWER:** .....

