

3 (a) Using the data in Table 1.3, calculate the payback period for PPP's proposed new machine.

..... [2]

(b) Using the data in Table 1.3, calculate the accounting rate of return (ARR) for PPP's proposed new machine.

..... [2]

(c) Evaluate whether PPP should invest in the new machine.

This image shows a full page of white paper with ten evenly spaced horizontal dashed lines, typical of primary school handwriting practice paper. The lines extend across the entire width of the page, leaving small gaps between them for writing. There are no margins, text, or other markings on the page.

[12]