

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.

[12]

3 (a) Using the data in Table 1.2, calculate the payback period of the country C location.

..... [2]

(b) Using the data in Table 1.3, calculate the accounting rate of return (ARR) of the country D location.

..... [2]

(c) Evaluate which location KTJ should choose for its new factory.

[illegible]

[19]

3 (a) Using the data in Table 1.1, calculate the payback period.

..... [2]

(b) Using the data in Table 1.1, calculate the net present value (NPV) over six years discounted at 8%.

..... [2]

(c) Evaluate LBM's decision to go ahead with the hot water mine.

Handwriting practice lines (dotted lines) for the letter 'y'.

[12]