

**BPF2213 (Final Examination, June 2017) QUESTION 4(b)**

Greenery View Sdn. Bhd. is considering two mutually exclusive project. Calculate the net present value (NPV) of both projects and suggest the best project to be proceed if the expected return is at 16%. The forecasted after-tax cash flows are as below:

| Year | Tropica Venue (RM) | Khatulistiwa Park (RM) |
|------|--------------------|------------------------|
| 0    | (130,000)          | (150,000)              |
| 1    | 50,000             | 30,000                 |
| 2    | 50,000             | 90,000                 |
| 3    | 50,000             | 100,000                |
| 4    | 50,000             |                        |

**Table 3: Forecasted After-Tax Cash Flows**

(10 Marks)

Disclaimer: The material prepared is for learning purpose only.