**SLP Assignment:**

**Risk: Probabilities and Expected Value**

**Scenario:** You work for a private investment company that currently has numerous business investments in real estate development, restaurant franchises, and retail chains. Following an exhaustive search for new investment opportunities, you have found three possible alternatives, each of which will pay off in exactly 10 years from the date of initial investment. Because you only have enough money to invest in *one*of the three options, you recognize that you will need to complete a quantitative comparison of the three alternatives:

**Option A:** Real estate development.

**Option B:** Investment in the retail franchise “Just Hats,” a boutique that sells hats for men and women.

**Option C:** Investment in “Cupcakes and so forth,” a franchise that sells a wide variety of cupcakes and a variety other desserts.

Download the raw data for the three investments in this Excel document: [*Raw data for BUS520 SLP 2*](https://tlc.trident.edu/d2l/lor/viewer/viewFile.d2lfile/88075/2857,-1/) (Attached)

**Assignment**

Develop an analysis of these three investments in Excel. Use expected value to determine which of the three alternatives you should choose.

Write a report to your private investment company, explaining your Excel analysis, giving your recommendation, and justifying your decision.

**SLP Assignment Expectations**

**Excel Analysis**

* Using Excel, make an accurate and complete analysis of the three investment alternatives.

**Written Report**

* You must submit *written discussion and analysis.* This means that you should avoid use of tables and charts as “space fillers.”
* Provide a brief introduction to/background of the problem.
* Discuss the steps you used in completion of your Excel analysis.
* Based on your Excel analysis, give your recommendation as to which of the three investment alternatives should be pursued.