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| Simms Manufacturing is considering two alternative investment proposals with the following data:   |  |  |  | | --- | --- | --- | |  | Proposal X | Proposal Y | | Investment | $620,000 | $400,000 | | Useful life | 8 years | 8 years | | Estimated annual net  cash inflows for 8 years | $130,000 | $80,000 | | Residual value | $60,000 | $0 | | Depreciation method | Straight-line | Straight-line | | Required rate of return | 14% | 10% |   How long is the payback period for Proposal X?  Answer |
| Question 4 answers   |  |  |  | | --- | --- | --- | |  | a. | 4.50 years | |  | b. | 4.77 years | |  | c. | 8 years | |  | d. | 10.33 years | |